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GOVERNOR

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LT. GOVERNOR



**STATE OF HAWAII  
AGRIBUSINESS DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS**

235 SOUTH BERETANIA STREET, ROOM 205  
HONOLULU, HAWAII 96813

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## Notice of Administration Committee Meeting

Held via Teleconference with In-Person Location

WEDNESDAY, MAY 27, 2026  
10:00 a.m.

Pursuant to section 92-3.7, *Hawai'i Revised Statutes (HRS)*, this meeting will be held using interactive conference technology (ICT). Board members, staff, persons with business before the Committee, and the public may participate remotely online using ICT, or may participate via the in-person meeting site which provides ICT.

Interested persons may submit written testimony in advance of the meeting, which will be distributed to Committee members prior to the meeting. If possible, we request that testimony be received by our office not less than seventy-two hours prior to the meeting to ensure that staff have time to disseminate it and that Committee members have time to review it. Written testimony may be submitted electronically to [dbedt.adc@hawaii.gov](mailto:dbedt.adc@hawaii.gov) or sent via U.S. Postal Service, or delivered to:

Agribusiness Development Corporation  
235 South Beretania Street, Suite 205  
Honolulu, Hawai'i 96813

When testifying via ICT, via telephone, or in-person, you will be asked to identify yourself and the organization you represent, if any. Each testifier is allowed up to two minutes of testimony per agenda item pursuant to determination of the Board on November 20, 2025.

The public may participate in the meeting via:

ICT: <https://us06web.zoom.us/j/88639767168>

Telephone: (669) 900-6833, Webinar ID: 886 3976 7168

In-Person: State Office Tower  
235 South Beretania Street, Room 205  
Honolulu, Hawai'i 96813

## **ICT ACCESS**

To view the meeting and provide live oral testimony, please use the link above. You will be asked to enter your name in order to access the meeting as an attendee. The Committee requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You will also be asked for an email address. You may fill in this field with any entry in an email format, e.g. abcd@efgh.com.

As an attendee, your microphone will be automatically muted. When the Chairperson asks for public testimony, you may click the Raise Hand button found on your screen to indicate that you wish to testify about that agenda item. The Chairperson or staff will individually enable each testifier to unmute their microphone. When recognized by the Chairperson, please unmute your microphone before speaking and mute your microphone after you have finished speaking.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier is allowed up to two minutes of testimony per agenda item pursuant to determination of the Board on November 20, 2025.

## **TELEPHONE ACCESS**

If you do not have ICT access, you may get audio-only access by calling the telephone number listed above.

Upon dialing the number, you will be prompted to enter the Meeting ID that is listed next to the telephone number above. After entering the Meeting ID, you will be asked to either enter your panelist number or wait to be admitted into the meeting. You will not have a panelist number. Please wait until you are admitted into the meeting.

When the Chairperson asks for public testimony, you may indicate you want to testify by entering “ \* ” and then “9” on your telephone’s keypad. After entering “ \* ” and then “9”, a voice prompt will let you know that the host of the meeting has been notified. When recognized by the Chairperson, you may unmute yourself by pressing “ \* ” and then “6” on your telephone. A voice prompt will let you know that you are unmuted. Once you are finished speaking, please enter “ \* ” and then “6” again to mute yourself.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier is allowed up to two minutes of testimony per agenda item pursuant to determination of the Board on November 20, 2025.

## **IN-PERSON ACCESS**

There will also be one meeting location, open to the public, which will have an audio-visual connection. That meeting will be held at:

State Office Tower  
235 South Beretania Street, Room 205  
Honolulu, Hawai‘i 96813

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier is allowed up to two minutes of testimony per agenda item pursuant to determination of the Board on November 20, 2025.

### **LOSS OF CONNECTIVITY**

In the event of a loss of ICT connectivity, the meeting will be recessed for a period not to exceed thirty minutes to restore connectivity with all board members and the public in-person access location noted above. If audio connectivity is re-established within thirty minutes without video connectivity, interested participants can access the meeting via the telephone number and Meeting ID number noted above. In the further event that connectivity is unable to be restored within thirty minutes, the meeting will be automatically continued to a date and time to be posted on the ADC website at <https://dbedt.hawaii.gov/adc/> no later than close of business the next business day. New ICT, telephone, and in-person access information will be posted on the website no less than twenty-four hours prior to the continued meeting date. Alternatively, if a decision is made to terminate the meeting, the termination will be posted on the ADC website.

### **SPECIAL ASSISTANCE**

If you require special assistance, accommodations, modifications, auxiliary aids, or services to participate in the public meeting process, including translation or interpretation services, please contact staff at (808) 586-0186 or by email at [dbedt.adc@hawaii.gov](mailto:dbedt.adc@hawaii.gov).

Please allow sufficient time for ADC staff to meet requests for special assistance, accommodation, modifications, auxiliary aids, translation, or interpretation services.

**NOTE: MATERIALS FOR THIS AGENDA WILL BE AVAILABLE FOR REVIEW IN THE ADC OFFICE, 235 S. BERETANIA STREET, SUITE 205, HONOLULU, HAWAII 96813 A MINIMUM OF THREE FULL BUSINESS DAYS (WEEKENDS AND STATE AND FEDERAL HOLIDAYS EXCLUDED) PRIOR TO THE MEETING.**

### **Agribusiness Development Corporation Non-Discrimination Statement**

The Agribusiness Development Corporation does not discriminate on the basis of race, color, sex, national origin, age, or disability, or any other class as protected under applicable federal or state law, in administration of its programs, or activities, and the Agribusiness Development Corporation does not intimidate or retaliate against any individual or group because they have exercised their rights to participate in actions protected by, or oppose action prohibited by, 40 C.F.R. Parts 5 and 7, or for the purpose of interfering with such rights.

If you have any questions about this notice or any of the Agribusiness Development Corporation's non-discrimination programs, policies, or procedures, you may contact:

Mark Takemoto  
Acting Title VI Non-Discrimination Coordinator  
Agribusiness Development Corporation  
235 South Beretania Street, Suite 205  
Honolulu, Hawai'i 96813

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Phone: (808) 586-0186  
Email: [dbedt.adc.titlevi@hawaii.gov](mailto:dbedt.adc.titlevi@hawaii.gov)

If you believe that you have been discriminated against with respect to an Agribusiness Development Corporation program or activity, you may contact the Acting Non-Discrimination Coordinator identified above.

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## AGENDA

- A. Roll Call & Call to Order
  - B. Approval of Minutes
    - 1. None
  - C. Action Items
    - 1. Review fiscal year 2026 budget and actuals, status update regarding the fiscal year 2027 budget, update on active contracts and projects, and preliminary agency budget planning for fiscal years 2028 and 2029. As fiscal year 2028 represents the first year of the upcoming biennium budget cycle, the budget planning and recommendations will address funding and operational needs for both fiscal years 2028 and 2029. The Committee will discuss milestones and priorities in order to provide the agency's Board of Directors with a report and recommendation regarding fiscal year 2028–2029 budget matters.
  - D. Informational Items
    - 1. None
  - E. Adjourn
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*The Board may go into executive session on any agenda item pursuant to the exceptions provided under section 92-5, Hawai'i Revised Statutes.*



# **Agribusiness Development Corporation**

Budget Report: Fiscal Years 2026 to date, Draft Budget fiscal year  
2027, Proposed fiscal year 2028

May 27, 2026

*For the Agribusiness Development Corporation Board of Directors  
Administration Committee.*

**Agribusiness Development Corporation**

## Introduction

Through the second quarter (Q2) of Fiscal Year 2025-2026 (FY26), revenues received from rent and water across all fund types totaled \$1,942,030, which is \$214,349, or 11% lower than the same period as last year. This decrease is driven primarily by the reduction of land rents received on Oahu, and Kauai. ADC is working with prospective tenants to lease the vacant land. During the same period ADC received an appropriation of \$1,383,749 to support agency operations.

Expenditures totaled \$1,875,530 which was \$1,080,610, or 58%, lower than last year as several expected costs have not been recorded such as the contract security.

**Revenues FY 2026 Q1 – Q2**

Across all fund types, revenues are \$4,113,557, or 7%, higher than the prior fiscal year. This increase is primarily driven by 1) a payment received in Q2 from the Navy, 2) increase of General Funds, and 3) an increase in legislative appropriations in the operating budget to support collectively bargained pay raises.

Revenue F-FY-ACCT	ADC Description	Q1		Q2	
		Budget	Actual	Budget	Actual
G-26-161	Legislative Appropriation	691,874	691,874	691,874	691,874
	Restriction	(69,184)	(69,184)	(69,184)	(69,184)
<b>Grand Total</b>		<b>622,690</b>	<b>622,690</b>	<b>622,690</b>	<b>622,690</b>

Revenue F-FY-ACCT	ADC Operations Description	Q1		Q2	
		Budget	Actual	Budget	Actual
S-26-312 <u>Note: 1</u>	Delivery Charge for Water	22,676	183,953	22,676	104,635
	Miscellaneous Income	5,669	17,582	5,669	11,383
	Rentals, Others	50,038	46,182	50,038	17,134
	Rentals, Temporary Permits, Public Lands	159,323	210,841	159,323	134,443
	Investment Pool Interest Realized	2,625		2,625	
<u>Note: 2</u>	Use of Government Land for Specific Purposes	122,624		122,624	490,497
	Vacation Earned with Other Funds and Agencies				7,498
<b>Grand Total</b>		<b>362,955</b>	<b>458,557</b>	<b>362,955</b>	<b>765,591</b>

Note:

1. Delivery Charge for Water, seasonal use fluctuation and higher fuel costs impact revenue, there are expenses that offset the increase over the budgeted figures.
2. Payment from the Navy

Revenue F-FY-ACCT	Waiahole Water System Description	Q1		Q2	
		Budget	Actual	Budget	Actual
S-26-325	Delivery Charge for Water	318,777	512,137	318,777	357,271
	Investment Pool Interest Realized	3,126		3,126	
<b>Grand Total</b>		<b>321,903</b>	<b>512,137</b>	<b>321,903</b>	<b>357,271</b>

**Expenditures FY Q1 – Q2**

The following chart shows expenditures and transfers by fund for the current fiscal year. These transfers include moving money between funds such as ADC revolving fund to pay ceded lands payments and debt service payments made as transfers from the appropriate fund to the bond fund which is the main reason why net transfers do not total to zero.

Expenditure F-FY-ACCT	ADC General Funds OCE Description	Q1		Q2	
		Budget	Actual	Budget	Actual
<b>G-26-161</b>					
<u>Note: 3</u>	PERSONAL SERVICES-PAYROLL	338,592	208,488	338,592	181,012
<u>Note: 4</u>	OTHER CURRENT EXPENDITURES	392,411	1,484	392,411	1,823
	DUES AND SUBSCRIPTIONS		609		1,044
	FREIGHT AND DELIVERY CHARGES		801		
	INSURANCE				3,771
	OFFICE SUPPLIES		3,384		383
	OPERATING SUPPLIES		212		
	OTHER SUPPLIES		1,155		1,046
	POSTAGE		82		82
	PRINTING AND BINDING		1,636		1,105
	RENTAL OF EQUIPMENT		402		402
	SUBSISTENCE ALLOWANCE, OUT-OF-STATE				1,051
	TELEPHONE AND TELEGRAPH		3,261		
	TRANSPORTATION, INTRA-STATE		3,607		7,171
<u>Note: 5</u>	SERVICES OF FEE BASIS (OTHER THAN STATE EMPLOYEES)				15,543
	OPERATING TRANSFER TO SPECIAL FUND	11,248		11,248	
<b>Grand Total</b>		<b>1,256,781</b>	<b>225,120</b>	<b>1,256,781</b>	<b>214,435</b>
<b>Revenue Less Expenditure</b>		<b>(171,018)</b>	<b>860,644</b>	<b>(171,018)</b>	<b>871,329</b>

Notable Variances Q1 – Q2

Note:

- FY2026-Q1 Actual - Hazard Pay, \$9,074.16, Vacation Pay \$24,356.67, Overtime Pay \$192.03 and Regular Pay remaining balances  
FY2026-Q2 Actual - Overtime Pay \$795.55 and Regular Pay remaining balances
- Budgetted Other Current Expenses cover operating expenses. ADC is expecting higher expenses relating to costs related to security.
- FY2026-Q2 Actual - ACM Consultants, Inc \$9,947.64, Accel Events, LLC \$4,545.57, JV \$1,050.06

Expenditure F-FY-ACCT	ADC revolving fund OC Description	Q1		Q2	
		Budget	Actual	Budget	Actual
<b>S-26-325</b>	SERVICES OF FEE BASIS (OTHER THAN STATE EMPLOYEES)	434,908	63,931	434,908	2,541
<u>Note: 6</u>	Car Mileage plus parking	300		300	606

	DUES AND SUBSCRIPTIONS	75		75	
	ELECTRICITY	5,000		5,000	1,869
	Hire Passenger Car	425		425	
	INSURANCE	50		50	
	LAND AND LAND IMPROVEMENTS				60,350
<u>Note: 7</u>	Legal Services	125,000		125,000	147,766
	MACHINERY AND EQUIPMENT		2,156		
	OFFICE SUPPLIES	300	179	300	
<u>Note: 8</u>	OPERATING SUPPLIES		83,176		98,145
	OTHER RENTALS		954		
	OTHER SUPPLIES	250	783	250	
	OTHER TRAVEL	188	40	188	
<u>Note: 9</u>	PERS SVCS REND BY OTHER DEPT AGEN(STATE EMPLOYEES)	12,500	10,718	12,500	92,378
	PERSONAL SERVICES-PAYROLL	63,154	95,122	63,154	89,784
	POSTAGE	150		150	
	PRINTING AND BINDING	75		75	
<u>Note: 10</u>	REFUNDS		(37,348)		
	RENTAL OF LAND AND BUILDING		569		24
<u>Note: 11</u>	REPAIRS AND MAINTENANCE	1,750		1,750	163,270
	Subs Allow Intrastate, St Employees				223
	Subsistence Allowance, Intrastate	500		500	
	SUBSISTENCE ALLOWANCE, INTRA-STATE		120		20
	Subsistence Allowance, Out of State	250		250	
	SUBSISTENCE ALLOWANCE, OUT-OF-STATE		995		3,890
	TELEPHONE AND TELEGRAPH	250	1,124	250	1,572
	TRANSPORTATION, INTRA-STATE	3,750	190	3,750	3,064
	Transportation, Intrastate, Non-Employee				656
	Transportation, Intrastate, St Employees				489
	TRANSPORTATION, OUT-OF-STATE	250		250	
<u>Note: 12</u>	WATER		14,256		7,032
<b>S-26-312</b>	Advertising	25		25	
<b>Net Total</b>		<b>784,700</b>	<b>237,019</b>	<b>784,700</b>	<b>681,639</b>
<u>Note: 13</u>	Judgements and Claims	2,897,849		2,897,849	
<b>Revenue Less Expenditure</b>		<b>421,744</b>	<b>221,538</b>	<b>421,744</b>	<b>83,951</b>

Notable Variances Q1 – Q2

Note:

6. FY2026-Q1 Actual, Farm Fair \$45K, engineering \$10K, Appraisal \$4K, BOA Pcard \$5K
7. FY2026-Q2 Actual, Alston and Birds LLP, NPDES permit
8. FY2026-Q1 and Q2 Actual, GP Energy Company LLC, costs related to water pumping in S-312
9. FY2026-Q1 Actual, DAG, FY2026-Q2 Actual, Engineering Service provided \$50K; DAG \$42K.
10. Refund from IRS in FY2025 but deposit in FY2026

11. FY2026-Q2 Actual, - Bott Well Pump Station & Irrigation System Maintenance, related to water pumping expenses in S-312
12. Water for Whitmore project area
13. Judgements and Claims, ceiling increase for potential expenses related to NPDES permit.

Expenditure F-FY-ACCT	Waiahole Water System Description	Q1		Q2	
		Budget	Actual	Budget	Actual
<b>S-26-325</b>	Advertising	125		125	
	Car Mileage plus parking	75		75	
	Carpentry Materials & Supplies	8,750		8,750	1,984
<u>Note: 14</u>	Debt Service	47,219		47,219	
	DUES AND SUBSCRIPTIONS	25		25	
	ELECTRICITY	1,075	723	1,075	1,450
	Freight & Delivery Charges	250		250	92
	Hire Passenger Car	50		50	
	INSURANCE	1,500		1,500	
<u>Note: 14</u>	INTEREST ON BONDED DEBT	61,149		61,149	51,452
	MACHINERY AND EQUIPMENT		150		
	OFFICE SUPPLIES	125		125	334
	OPERATING SUPPLIES	6,600	6,950	6,600	7,575
	OTHER CURRENT EXPENDITURES	25,150		25,150	3,250
	OTHER RENTALS	1,250		1,250	113
	OTHER SUPPLIES	2,375		2,375	3,885
	Other Travel Expenses	50		50	
	PERS SVCS REND BY OTHER DEPT AGEN(STATE EMPLOYEES)	1,500	5,351	1,500	21,004
<u>Note: 15</u>	PERSONAL SERVICES-PAYROLL	115,918	219,428	115,918	147,846
	POSTAGE	150		150	179
	PRINTING AND BINDING	250		250	271
	RENTAL OF LAND AND BUILDING		4,208		800
	REPAIRS AND MAINTENANCE	27,988		27,988	2,089
	SERVICES OF FEE BASIS (OTHER THAN STATE EMPLOYEES)	36,499		36,499	5,738
	Sewer	250		250	
	Subsistence Allowance, Intrastate	75		75	
	SUBSISTENCE ALLOWANCE, INTRA-STATE				114
	TELEPHONE AND TELEGRAPH	875		875	275
	TRANSPORTATION, INTRA-STATE	375		375	1,394
	Transportation, Out of State, St Employees				157
	WATER	125		125	
	Workers Compensation	250		250	
<b>Grand Total</b>		<b>340,021</b>	<b>236,810</b>	<b>340,021</b>	<b>250,001</b>
<b>Revenue Less Expenditure</b>		<b>(18,118)</b>	<b>275,327</b>	<b>(18,118)</b>	<b>107,271</b>

Notable Variances Q1 – Q2 continued from previous page

Note:

- 14. FY2026-Q2 Actual, GOB Series Interest Payment
- 15. FY2026-Q1 Actual, Hazard Pay \$49K, Overtime Pay \$1K  
FY2026-Q2 Actual, Overtime Pay \$3.8K and Vacation Pay \$16K

Expenditure F-FY-ACCT	Food & Product Innovation Network Description	Q1 Budget	Actual	Q2 Budget	Actual
<b>S-26-324</b>					
<u>Note:</u> 16	PERSONAL SERVICES-PAYROLL	12,500	12,361	12,500	18,145
<b>Grand Total</b>		<b>12,500</b>	<b>12,361</b>	<b>12,500</b>	<b>18,145</b>

<b>Revenue Less Expenditure</b>		<b>(12,500)</b>	<b>(12,361)</b>	<b>(12,500)</b>	<b>(18,145)</b>
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Note:

- 16. Food & Product

**ADC requests for consideration for the fiscal year 2027 Administration Budget****Executive Summary****FY 2027 Operating Budget Requests**

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The FY27 Operating Budget Requests strengthen ADC's ability to execute statutory mandates under Acts 176, 175, and 151; maintain statewide agricultural infrastructure; support water security; ensure environmental compliance; and expand food system capacity for Hawai'i residents. These requests protect existing assets, reduce legal and safety exposures, and support critical staffing and planning functions that enable growth and utilization of ADC lands.

The operating portfolio is organized into three strategic program areas:

1. **Land Acquisition & Development Operations**
2. **Irrigation System Development & Maintenance Operations**
3. **Food System Improvement & Operational Support**

Collectively, these requests safeguard watershed resources, modernize system management, deliver essential compliance functions (HEPA, NEPA, NPDES), and ensure that communities, tenants, and employees are protected from operational risks.

**I. Budget Summary by Program Area****1. Land Acquisition & Development (Operating)**

Supports planning, environmental studies, land remediation, GIS, early-stage development, and enabling compliance for future CIP deployment.

Total: \$4,900,000

Major components:

- GIS meets & bounds survey – \$3,250,000
- UH Community Design Center services – \$750,000
- EA/EIS & NEPA studies (Kekaha, Wahiawā, etc.) – \$1,350,000
- Mililani Ag Tech Park initial development – \$100,000
- Waiahole remediation – \$120,000

**2. Irrigation System Development & Maintenance (Operating)**

Ensures system reliability, environmental compliance, safety, staffing, and monitoring.

Total: \$14,820,000

Major components:

- NPDES compliance plan - \$100,000
- NPDES permit compliance fines – \$12,000,000
- NPDES permit monitoring costs - \$650,000
- Water System Management Staffing – \$240,000
- Waiahole system repairs, SCADA, equipment, vehicle, and base yard – \$490,000
- Attorney for NPDES permitting – \$750,000
- Mana Reservoir decommissioning – \$50,000
- Statewide water planning – \$0 (CIP item but operationally dependent)

### **3. Improve Components of the Food System (Operating)**

Supports staffing, food safety systems, administrative capacity, security, IT services, value-added agriculture enabling functions, and organizational modernization.

Total: \$4,426,260

Major components:

- Security services – \$2,500,000
- Senior Project Manager / Construction Manager / Administrative Assistant – \$335,000
- GAP systems development – \$100,000
- Grant writing support – \$120,000
- Accounting consultant – \$140,000
- IT support for remote sites – \$200,000
- Strategic plan update – \$175,000
- Agricultural events – \$250,000
- Vehicle for ADC office – \$65,000
- Solar PV at Kekaha – \$40,000
- Travel – \$136,260
- Property management software consulting – \$650,000

### **Total FY27 Operating Budget Request**

**\$24,146,260**

## **II. Priority Tiering (High, Urgent, Core, Strategic)**

The following tiers reflect risk to safety, legal compliance, water security, and food system reliability.

**High Priority (Critical / statutory exposure / immediate safety risk)****Land Acquisition & Development**

- Kekaha NEPA Review – \$250,000
- EA/EIS – Kekaha – \$1,000,000
- Waiahole Remediation – \$120,000

**Irrigation System Development & Maintenance**

- NPDES Compliance Fines – \$12,000,000
- Attorney for NPDES Permitting (Kekaha) – \$750,000
- Decommission Mana Reservoir – \$50,000
- SCADA Repairs – \$50,000
- Equipment for Waiahole – \$300,000
- Replacement Vehicle for Waiahole – \$65,000
- Water System Admin Services Manager – \$100,000
- O'ahu Water System Manager – \$140,000

**Food System Improvements**

- Security Services – \$2,500,000
- GAP Systems Development – \$100,000
- Accounting Consultant – \$140,000
- IT Support for Remote Sites – \$200,000

**Urgent Priority (Compliance timing, operational readiness, wildfire risk)****Land Acquisition & Development**

- GIS Meets & Bounds Mapping – \$3,250,000
- Wahiawa VAPC Environmental Studies – \$250,000
- UH CDC Retainer – \$750,000
- Mililani Ag Tech Park – \$100,000

**Irrigation System Development & Maintenance**

- Waiahole Base yard Improvements – \$75,000

**Food System Improvements**

- Property Management Software Consulting – \$650,000
- Construction Manager – \$150,000
- Senior Project Manager – \$120,000

**Core Priority (Operational continuity, tenant support, productivity)**

- Grant Writing Services – \$120,000
- Admin Assistant – \$65,000

- Travel – \$136,260
- New ADC Office Vehicle – \$65,000
- Agricultural Event Sponsorships – \$250,000
- Strategic Plan Update – \$175,000

**Strategic Priority (Longterm value, modernization, future capacity)**

- Install Solar PV (Kekaha) – \$40,000
- Develop Water Plan (operational nexus) – \$0
- Any long-term design activity linked to future CIP execution

**III. FY27 Operating Budget Dashboard****Total Operating Request: \$24.15M**

Project Count: 30+

Coverage: All islands

Primary Benefits:

- Compliance with NEPA, HEPA, CWA, Act 176/175/151
- Defense of NPDES permits
- Water security & wildfire mitigation
- Reliable irrigation for 17,500+ acres
- Improved food system safety & value-added readiness
- Reduced legal and safety liabilities
- Higher organizational capacity & modernization

**Top Systemwide Risks if Unfunded:**

1. Immediate fines up to \$60,000/day under NPDES regulations
2. Loss of irrigation water and wildfire hazards
3. NEPA failures eliminating \$90M+ federal zero match eligibility
4. Unsafe working conditions, employee injury, and facility liability
5. Delays in food safety systems, permitting, and local food expansion

## Executive Summary

### FY 2027 CIP Budget Requests

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The Agribusiness Development Corporation (ADC) submits a statewide portfolio of FY27 Capital Improvement Project (CIP) requests designed to advance Hawai'i's agricultural resilience, water security, food system capacity, and long-term land stewardship. These projects directly support statutory mandates to increase local food production, improve agricultural infrastructure, reduce wildfire risk, expand irrigation capacity, and ensure compliance with Acts 176, 175, and 151, as well as alignment with HRS §26992 (RPS/HCEI 2045).

**Portfolio Scope and Strategic Alignment** the FY27 CIP package advances ADC's mission through investments in three critical domains:

#### 1. Land Acquisition & Development

- Secures high value agricultural lands on O'ahu, Maui, Kaua'i, and Hawai'i Island.
- Creates operational facilities, storage, logistics hubs, and worker housing feasibility studies that support production growth and market access.
- Modernizes and replaces unsafe or obsolete facilities, enabling utilization of lands already under ADC stewardship.

#### 2. Irrigation System Development & Maintenance

- Funds essential repairs, lining, piping, and system modernization across O'ahu, Kaua'i, Maui, and statewide systems.
- Addresses deferred maintenance, water loss reduction, and resilience improvements needed for agricultural reliability, wildfire mitigation, and tenant security.
- Advances renewable integration through feasibility studies for hydroelectric and microgrid solutions, reducing long-term energy costs.

#### 3. Improve Components of the Food System

- Builds statewide processing, storage, and value-added manufacturing capacity to reduce spoilage and import dependence.
- Supports Maui and O'ahu Food & Product Innovation Network facilities and cold storage expansions that improve institutional purchasing and food safety compliance.

- Enables market access and postharvest improvements essential for meeting food system and emergency preparedness objectives (6–24-month shelf stable goals).

**Systemwide Risks if Not Funded** Across all projects, the consequences of non-funding include:

- **Reduced agricultural productivity**, including crop loss, diminished tenant viability, and foregone postharvest capacity.
- **Failure to meet State agricultural mandates**, particularly Acts 176 (food production), 175 (infrastructure resilience), and 151 (sustainability).
- **Increased wildfire risk** due to lack of irrigation redundancy, unmanaged vegetation, and insufficient early detection systems.
- **Higher operational and energy costs**, including continued reliance on diesel pumping and inefficient water conveyance.
- **Environmental compliance risk**, including NEPA related delays that may threaten access to Defense Community Infrastructure Program funding (up to \$100M federal, zero state match).
- **Public safety exposure**, including dam safety issues, deteriorated structures, and failing road corridor protections.
- **Lost economic opportunities**, such as job creation, tenant expansion, value added manufacturing, and improved logistics for institutional buyers.

**Overall Funding Request** the FY27 portfolio represents a comprehensive infrastructure strategy spanning land acquisition, irrigation modernization, food system capacity, and operational enablement. These investments position ADC to:

- Increase local food production
- Reduce import dependency
- Strengthen statewide agricultural water security
- Expand economic opportunity in rural communities
- Protect public safety and critical agricultural assets

- Support long-term climate and energy resilience

**Conclusion** ADC's FY27 CIP requests address urgent infrastructure gaps and long-term strategic needs essential to revitalizing Hawai'i's agricultural sector. Support for this portfolio ensures the State continues to build toward a diversified, resilient, and sustainable food system capable of meeting future challenges.

## **I. Budget Summary by Major Program Areas**

Below is a consolidated funding summary based on all projects provided.

### **1. Land Acquisition & Development**

Includes: land purchases, demolition, facilities, worker housing feasibility, ADC offices, wildfire detection, warehouses.

Total: \$80,024M

Breakdown highlights:

- O'ahu land acquisitions and facilities
- Kaua'i facilities, office, safety structures
- Maui land acquisition
- Hawai'i Island logistics property
- Wildfire detection system (Kekaha/Kalepa)

### **2. Irrigation System Development & Maintenance**

Includes: reservoirs, ditch repairs, lining, pipelines, electrical/power upgrades, feasibility studies, statewide water planning.

Total: \$27,655M

Breakdown highlights:

- Kekaha system improvements
- Reservoir 155 Kunia
- Hanamā'ulu Ditch improvements
- EKIS clearing
- Kalepa irrigation planning and unified microgrid system
- Hydropower feasibility
- Statewide irrigation master plan
- Wahiawā renovations

### **3. Improve Components of the Food System**

Includes: processing facilities, cold storage, FPIN/EPMF, product innovation, refrigeration, value-added agriculture.

Total: \$47,450M

Breakdown highlights:

- FPIN/EPMF buildout (O'ahu)
- FPIN concept and Maui EPMF
- Cold/dry storage modular yard
- Kaua'i processing and cold storage facilities

Overall FY27 CIP Request Total

\$155,129M

## **II. Priority Tiering (High / Urgent / Core / Strategic)**

To support Board decision making, the following framework was used:

- High Priority — Critical to safety, water security, legal mandates, or preventing major crop/tenant loss.
- Urgent — Time sensitive for compliance, wildfire mitigation, or infrastructure at risk of failure.
- Core — Required for operational enablement, productivity, and long-term system capacity.
- Strategic — Expands value-added capacity, innovation, or future oriented development.

### **High Priority Projects**

- (1) Reservoir 155 Lining, Kunia — \$6,000,000
- (2) Kōke'e Ditch Irrigation System Repairs — \$9,300,000
- (3) Kekaha Irrigation System Improvements (mauka) — \$6,500,000
- (4) HDPE Pipe Replacement, Kekaha System — \$2,000,000
- (5) Pipeline from Upper Kapahi Reservoir — \$300,000
- (6) EKIS Vegetation Removal — \$500,000
- (7) Bot Well Electrification — \$125,000
- (8) Wahiaiwā Irrigation System Renovation — \$750,000
- (9) Hanamā'ulu Ditch Tunnel Fix (earthen tunnels) — \$350,000
- (10) Wildfire Monitoring & Detection (Kekaha/Kalepa) — \$3,500,000
- (11) AAHOAKA Dam Safety Work — \$100,000

Rationale: All relate directly to water security, wildfire mitigation, drought resilience, or dam/ditch safety — the highest risk statewide.

### Urgent Priority Projects

- (1) Demolition of Whitmore Warehouses — \$500,000
- (2) HDPE Lining for 14 Small Reservoirs (Kekaha) — \$630,000
- (3) Unified Kalepa Irrigation + Micro Grid — \$500,000
- (4) Kalepa Farmland Irrigation Planning — \$350,000
- (5) Hanamā‘ulu Ditch Piping — \$1,100,000
- (6) ADC Kalepa Operations Building — \$750,000
- (7) Mā‘alo Road Overpass Safety Railing — \$100,000
- (8) Feasibility Study for Hydroelectric — \$500,000

Rationale: Addresses immediate safety exposures, looming infrastructure delays, and readiness for federal NEPA dependent programs.

### Core Investments

- (1) Plans & Design for Central O‘ahu Agricultural Center Warehouses — \$2,000
- (2) Cold & Dry Storage Modular Yard — \$2,000
- (3) Kaua‘i Ag Product Processing Facility — \$100
- (4) Kekaha Refrigeration System — \$200
- (5) FPIN Concept Study, Maui — \$150
- (6) Food Innovation Facility, Maui — \$10,000
- (7) Agricultural Worker Housing Feasibility (Kaua‘i) — \$500
- (8) Agricultural Worker Housing Feasibility (Maui) — \$500
- (9) Agricultural Worker Housing Feasibility (Waiāhole) — \$500
- (10) Statewide Water Plan — \$2,000
- (11) Kalepa Office & Storage Structure — \$750,000

Rationale: Enables core ADC operations and production scale increases in food supply infrastructure.

### Strategic Projects

- (1) FPIN/EPMF O‘ahu Build Out — \$40,000,000
- (2) Purchase of Dole O‘ahu Lands (~1,358 acres) — \$58,424,000
- (3) Agricultural Land Purchase, Hali‘imaile, Maui — \$6,900,000
- (4) Industrial Property Purchase, Hawai‘i Island — \$5,220,000
- (5) ADC Agricultural Center (Whitmore) Design — \$350,000
- (6) ADC Honolulu Office (2,000 sf) \$250,000

Rationale: These investments expand long-term strategic capacity, secure high-value lands, or build future oriented processing and education hubs.

### ***III. High Level Dashboard Summary***

#### **FY27 CIP Dashboard**

- Total Request: \$155.1M
- Projects Submitted: 40+
- Counties Impacted: Statewide
- Primary Benefits:
  - Water security
  - Wildfire mitigation
  - Increased food processing & storage
  - Expanded agricultural land access
  - Workforce support
  - Renewable energy integration
  - Compliance with Acts 176, 175, 151; HRS §26992

#### **Breakdown by Program Area**

- Land Acquisition & Development: \$80.0M
- Irrigation System Development & Maintenance: \$27.7M
- Improve Components of the Food System: \$47.5M

#### **Top 5 Highest Risk Gaps if Unfunded**

1. Loss of water supply reliability (statewide)
2. Increased wildfire risk
3. Loss of leasable acreage and producer capacity
4. Delayed NEPA readiness and loss of large federal matching grants
5. Reduced statewide food safety and processing capabilities

**Fiscal year 2027 legislative budget: Budget related Legislation Transmitted to Governor**

The budget values on the following tables show budgeted amounts the 2026 legislature session transmitted to the Office of the Governor for review. The amounts are not final until the Governor provides direction on proposed changes to the budgeted items in the budget bill and bills with fiscal recommendations. Table 1. Legislative Operational Appropriations Transmitted to the Governor , Table 2. Legislative CIP Appropriations Transmitted to the Governor.

Table 3. **Draft FY 2027 G-161 account -**

Table 4. **Draft FY 2027 S-312 account**

Table 5. **Draft FY 2027 S-325 account**

Table 6. **Draft FY 2027 CIP and Projects**

Table 7. **Draft FY 2027 ADC Total for all accounts**

Attached:

1. Exhibit A: Selected portions of HB2275 HD1 SD2 CD1
2. Exhibit B: Selected portions of SB3320 SD1 HD1 CD1
3. Exhibit C: Selected portions of HB1800 HD1 SD1 CD1

**Table 1.**

								FY27 Operating appropriations transmitted to Governor	
								FTE	
No.	Bill	ProgID	Program	MOF	P	T	\$	Description	
1	HB2275 HD1 SD2 CD1	BED170	ADC	A	-		4,762,987	Offset of operational costs	
2	SB3320 SD1 HD1 CD1	BED170	ADC	A			2,800,000	For the operations of the food and product innovation network.	
3	HB1800 HD1 SD1 CD1	BED170	ADC	A	(1.00)		(66,300)	Transfer-out 1.00 FTE Perm ADC Contract Manager (102628)	
4	HB1800 HD1 SD1 CD1	BED170	ADC	A	(12.50)		(4,655,987)	Change MOF from A to W for Positions and Funds	
5	HB1800 HD1 SD1 CD1	BED170	ADC	W	12.50		5,399,411	Change MOF from A to W for Positions and Funds	
6	HB1800 HD1 SD1 CD1	BED170	ADC	B			10,886,000	Add Funds for Green Fee Climate and Hazard Resilience – Water Systems Safety and Preparedness, West Kauai	
7	HB1800 HD1 SD1 CD1	BED170	ADC	B			7,073,311	Add Funds for Green Fee Sustainable Tourism – Food and Product Innovation Network	
8	HB1800 HD1 SD1 CD1	BED170	ADC	B			750,000	Add Funds for Green Fee Environmental Stewardship – Water Systems Safety and Preparedness, Oahu	
9	HB1800 HD1 SD1 CD1	BED170	ADC	A			3,985,791	Add Funds for Waiahole Debt Service	
10	HB1800 HD1 SD1 CD1	BED170	ADC	B			250,000	Cattle Slaughterhouse	
11	HB1800 HD1 SD1 CD1	BED170	ADC	B			1,200,000	Forage Drying Facility	
12	HB1800 HD1 SD1 CD1	BED170	ADC	W	1.00		171,200	Add 1.00 FTE Perm Oahu Water Systems Manager and Funds	
13	HB1800 HD1 SD1 CD1	BED170	ADC	A			10,000,000	Add Funds to be deposited into ADC Revolving Fund	
14	HB1800 HD1 SD1 CD1	BED170	ADC	W			10,000,000	Increase Ceiling for Agriculture Development Revolving Fund for Land Acquisition	

MOF

A	16,725,612	General Funds
B	20,159,311	Green Fee Climate Funds
W	15,570,611	Revolving Funds Spending Ceiling (no appropriation)

**Table 2.**

No.	Bill	ProgID	Program	MOF	FY27 CIP appropriations transmitted to Governor	Description	Comments
					\$		
1	HB1800 HD1 SD1 CD1	BED170	ADC	C	4,500,000	Commercial Land Purchase, Oahu	Appropriated by Act 250/SLH 25
2	HB1800 HD1 SD1 CD1	BED170	ADC	C	650,000	Food Processing Plant, Oahu	Appropriated by Act 250/SLH 25
3	HB1800 HD1 SD1 CD1	BED170	ADC	C	6,000,000	Processing Manufacturing Facility, Oahu	Appropriated by HB1800 for processing manufacturing facility

ADC Total	11,150,000
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**Table 3.****Draft FY 2027 G-161 account**

<b>ADC G-161</b>		Revenue	Expense	Revenue Less Expense
	Legislative Appropriation * includes funds for project with CTAHR	\$ 4,762,987	\$ 2,058,118	\$ 2,704,869
	Legislative Appropriation * for FPIN	\$ 2,800,000	\$ 2,750,000	\$ 50,000
	Restriction	\$ 476,299	\$ -	\$ (476,299)
		\$ 7,086,688	\$ 4,808,118	\$ 2,278,570
Kauai	Kekaha	\$ -	\$ 25,000	\$ (25,000)
	East Kauai	\$ -	\$ 80,000	\$ (80,000)
	Kalepa	\$ -	\$ 80,000	\$ (80,000)
	Sub Total Kauai	\$ -	\$ 185,000	\$ (185,000)
Oahu	Galbraith	\$ -	\$ 750,000	\$ (750,000)
	Misc.	\$ -	\$ 70,000	\$ (70,000)
	Whitmore 24	\$ -	\$ 80,000	\$ (80,000)
	Whitmore 256	\$ -	\$ -	\$ -
	Dole	\$ -	\$ -	\$ -
	Paalaa Uka	\$ -	\$ 80,000	\$ (80,000)
	Kunia	\$ -	\$ 1,683	\$ (1,683)
	Kalaeloa	\$ -	\$ -	\$ -
	Sub Total Oahu	\$ -	\$ 981,683	\$ (981,683)
statewide	Personnel Services	\$ -	\$ 1,072,822	\$ (1,072,822)
	OCE	\$ -	\$ 117,844	\$ (117,844)
	Sub Total for Statewide	\$ -	\$ 1,190,666	\$ (1,190,666)
	<b>ADC G-161 Totals</b>	\$ 7,086,688	\$ 7,165,467	\$ (78,779)

**Table 4.****Draft FY 2027 S312 account**

Estimated FY 2027 budget based on past actual costs and revenue

**ADC S-312**

		Revenue	Expense	Revenue Less Expense
Kauai	Kekaha	\$ 241,107	\$ 150,000	\$ 91,107
	Kekaha, NPDES related expense	\$ -	\$ 900,000	\$ (900,000)
	Navy * estimate of revenue/expense	\$ 495,000	\$ 450,000	\$ 45,000
	NPDES testing	\$ -	\$ 650,000	\$ (650,000)
	East Kauai	\$ 107,596	\$ 14,988	\$ 92,608
	OHA/DHHL	\$ -	\$ 336,856	\$ (336,856)
	Subtotal Kauai	\$ 843,703	\$ 2,501,844	\$ (1,658,141)
Oahu	Galbraith	\$ 533,076	\$ 150,000	\$ 383,076
	Misc.	\$ 70,894	\$ 70,000	\$ 894
	Dole	\$ 1,451	\$ 1,200	\$ 251
	Paalaa Uka	\$ 76,905	\$ 12,000	\$ 64,905
	Kunia	\$ -	\$ 1,683	\$ (1,683)
	Kalaeloa	\$ 27,840		\$ 27,840
	Subtotal Oahu	\$ 710,166	\$ 234,883	\$ 475,283
statewide	Cash Balance	\$ 1,400,000	\$ -	\$ 1,400,000
	PS	\$ -	\$ 327,229	\$ (327,229)
	OCE	\$ -	\$ 383,537	\$ (383,537)
	Subtotal for Statewide	\$ 1,400,000	\$ 710,766	\$ 689,234
		Total Revenue	Total Expense	Revenue less Expense
<b>ADC S-312 Total</b>		\$ 2,953,869	\$ 3,447,493	\$ (493,624)

**Table 5.****Draft FY 2027 S-325 account**

<b>Water System S-325</b>		Revenue	Expense	Revenue Less Expense
Kauai	East Kauai Irrigation System	\$ -	\$ 70,000	\$ (70,000)
	Kekaha Irrigation System	\$ -	\$ 20,000	\$ (20,000)
	Subtotal Kauai	\$ -	\$ 90,000	\$ (90,000)
Oahu	Waiahole Water System	\$ 1,200,000	\$ 250,000	\$ 950,000
	Wahiawa Irrigation System *estimate of revenue/expense	\$ 1,000,000	\$ 855,000	\$ 145,000
	Subtotal Oahu	\$ 2,200,000	\$ 1,105,000	\$ 1,095,000
statewide	Cash Balance	\$ 1,750,000	\$ -	\$ 1,750,000
	Appropriation to pay debt service	\$ 3,985,791	\$ 3,985,791	\$ -
	Personnel Services	\$ -	\$ 624,792	\$ (624,792)
	OCE	\$ -	\$ 144,249	\$ (144,249)
	Subtotal for Statewide	\$ 5,735,791	\$ 4,754,832	\$ 980,959
	Total Revenue		Total Expense*	Revenue less Expense
<b>Water System S-325 Total</b>	\$ 7,935,791	\$ 5,949,832	\$ 1,985,959	

**Table 6.**

**Draft FY 2027 CIP & Projects**

**ADC Projects**

	<u>Appropriation</u>	<u>Expense</u>	<u>Appropriation less Expense</u>
Add Funds for Green Fee Climate and Hazard Resilience – Water Systems Safety and Preparedness, West Kauai	\$ 10,886,000	\$ 10,886,000	\$ -
Add Funds for Green Fee Sustainable Tourism – Food and Product Innovation Network	\$ 7,073,311	\$ 7,073,311	\$ -
Add Funds for Green Fee Environmental Stewardship – Water Systems Safety and Preparedness, Oahu	\$ 750,000	\$ 750,000	\$ -
Cattle Slaughterhouse	\$ 250,000	\$ 250,000	\$ -
Forage Drying Facility	\$ 1,200,000	\$ 1,200,000	\$ -
Add Funds to be deposited into ADC Revolving Fund	\$ 10,000,000	\$ 10,000,000	\$ -
Commercial Land Purchase, Oahu	\$ 4,500,000	\$ 4,500,000	\$ -
Food Processing Plant, Oahu	\$ 650,000	\$ 650,000	\$ -
Processing Manufacturing Facility, Oahu	\$ 6,000,000	\$ 6,000,000	\$ -
Project and CIP	\$ 41,309,311	\$ 41,309,311	\$ -

**Table 7.**

**Draft FY 2027 ADC Total for all accounts, ADC Total Estimated FY 2027 end of year**

	<b>Total Revenue</b>	<b>Total Expense*</b>	<b>Revenue less Expense</b>
<b>ADC totals all funds</b>	\$ 59,285,659	\$ 57,872,103	\$ 1,413,556

**Exhibit A: Selected portions of HB2275 HD1 SD2 CD1**

HOUSE OF REPRESENTATIVES  
THIRTY-THIRD LEGISLATURE, 2026  
STATE OF HAWAII

**H.B. NO.** 2275  
H.D. 1  
S.D. 2  
C.D. 2

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**A BILL FOR AN ACT**

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1  
2  
3  
4  
5  
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PART I

SECTION 1. The purpose of this part is to appropriate moneys to various entities to offset operational costs.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$4,762,987 or so much thereof as may be necessary for fiscal year 2026-2027 for operations of the agribusiness development corporation.

The sum appropriated shall be expended by the agribusiness development corporation for the purposes of this Act.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,592,854 or so much thereof as may be necessary for fiscal year 2026-2027 for operations of the Hawaii technology development corporation.

The sum appropriated shall be expended by the Hawaii technology development corporation for the purposes of this Act.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$984,450 or so much



H.B. NO. 2275  
H.D. 1  
S.D. 2  
C.D. 2

**Report Title:**

Operations; Mass Transit Special Fund; Disaster Recovery and Relief; Major Disaster Fund; Appropriations

**Description:**

Appropriates moneys to certain programs for operations in FY26-27. Appropriates moneys into and out of the Major Disaster Fund to address disaster recovery and response costs. Allows the Governor to authorize the transfer to state agencies of up to \$100,000,000 in funds appropriated out of the Major Disaster Fund to address an imminent threat to public health, safety, or welfare arising from an emergency. (CD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

HB2275 CD2 LRB 26-1371-1.docx



**Exhibit B: Selected portions of SB3320 SD1 HD1 CD1**

Page 6

**S.B. NO.** 3320  
S.D. 1  
H.D. 1  
C.D. 1

1 section no later than twenty days prior to the convening of each  
2 regular session.

3 §163D-F Enterprise zones; expansion. The department of  
4 business, economic development, and tourism shall evaluate  
5 opportunities to expand or adapt enterprise zone incentives in  
6 all counties to better support the food and product innovation  
7 network."

8 SECTION 3. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$2,800,000 or so much  
10 thereof as may be necessary for fiscal year 2026-2027 for the  
11 operations of the food and product innovation network.

12 The sum appropriated shall be expended by the agribusiness  
13 development corporation for the purposes of this Act.

14 SECTION 4. In codifying the new sections added by  
15 section 2 of this Act, the revisor of statutes shall substitute  
16 appropriate section numbers for the letters used in designating  
17 the new sections in this Act.

18 SECTION 5. New statutory material is underscored.

19 SECTION 6. This Act shall take effect on July 1, 2026.



Exhibit C: Selected portions of HB1800 HD1 SD1 CD1

Page 9

H.B. NO. 1800  
H.D. 1  
S.D. 1  
C.D. 1

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS			
				FISCAL YEAR 2025-2026	M O F	FISCAL YEAR 2026-2027	M O F
1				11.00*		11.00*	
2	OPERATING		AGR	1,109,694A		<del>1,067,694A</del>	
3						1,046,403A	
4			AGR	15,000B		15,000B	
5				0.75*		0.75*	
6			AGR	2,051,568N		2,051,568N	
7				1.25*		1.25*	
8			AGR	5,289,219P		5,289,219P	
9							
10	19.	AGR141 - AGRICULTURAL RESOURCE MANAGEMENT		26.50*		19.00*	
11							
12	OPERATING		AGR	4,221,136A		<del>1,798,532A</del>	
13						1,762,478A	
14				13.50*		13.50*	
15			AGR	2,851,320B		<del>2,851,320B</del>	
16						5,351,320B	
17				*		7.50*	
18			AGR	2,747,123W		1,375,787W	
19	INVESTMENT CAPITAL		AGR	5,000,000C		<del>0C</del>	
20						75,950,000C	
21			AGR	1,000N		N	
22							
23	20.	AGR192 - GENERAL ADMINISTRATION FOR AGRICULTURE		33.00*		<del>32.00*</del>	
24						33.00*	
25	OPERATING		AGR	5,580,886A		<del>5,556,126A</del>	
26						5,576,965A	
27			AGR		B	4,676,140B	
28			AGR		P	<del>164,450P</del>	
29						0P	
30	INVESTMENT CAPITAL		AGS	1,900,000C		2,200,000C	
31							
32							
33	21.	BED170 - AGRIBUSINESS DEVELOPMENT AND RESEARCH		13.50*		<del>13.50*</del>	
34						0.00*	
35	OPERATING		BED	4,825,616A		<del>4,823,166A</del>	
36						13,985,791A	
37			BED		B	20,159,311B	
38				0.50*		0.50*	
39			BED	82,126U		82,126U	
40				2.00*		<del>2.00*</del>	
41						15.50*	
42							

HB1800 CD1 FIN-2



**H.B. NO.** 1800  
H.D. 1  
S.D. 1  
C.D. 1

**PROGRAM APPROPRIATIONS**

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS			
				FISCAL YEAR 2025-2026	M O F	FISCAL YEAR 2026-2027	M O F
				6.00#		6.00#	
			BED	16,259,661W		[4,048,264W]	
						19,618,875W	
		INVESTMENT CAPITAL	BED	111,201,000C		[5,150,000C]	
						11,150,000C	
22.	AGR153	AQUACULTURE DEVELOPMENT			7.00*	7.00*	
	OPERATING		AGR	978,519A		[978,519A]	
			AGR			958,873A	
				125,000B		125,000B	
23.	BED120	HAWAII STATE ENERGY OFFICE			1.00*	1.00*	
				25.00#		[25.00#]	
						28.00#	
	OPERATING		BED	2,571,816A		[2,571,816A]	
			BED			2,767,634A	
			BED	795,000B		[795,000B]	
			BED			6,795,000B	
			BED	7,146,250T		7,146,250T	
24.	BED143	HAWAII TECHNOLOGY DEVELOPMENT CORPORATION			8.00*	[8.00*]	
						0.00*	
				4.00#		[4.00#]	
						0.00#	
	OPERATING		BED	4,701,795A		[2,701,795A]	
			BED			0A	
			BED	1,604,258B		1,604,258B	
				*		8.00*	
				#		3.00#	
			BED	2,017,203W		[2,017,203W]	
						5,250,277W	
				10.00#		10.00#	
			BED	994,214P		994,214P	
25.	BED146	NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY			17.00#	17.00#	
	OPERATING		BED	7,929,310B		[7,929,310B]	
						8,055,558B	
	INVESTMENT CAPITAL		BED		C	2,000,000C	



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**H.B. NO.** 1800  
H.D. 1  
S.D. 1  
C.D. 1

1 necessary for fiscal year 2026-2027 shall be deposited into the  
2 clean energy and efficiency revolving loan fund pursuant to  
3 section 196-65.5, Hawaii Revised Statutes."

4 5. By adding a new section to read:

5 "SECTION 11.5 Provided that of the general fund  
6 appropriation for agribusiness development and research  
7 (BED170), the sum of \$10,000,000 or so much thereof as may be  
8 necessary for fiscal year 2026-2027 shall be deposited into the  
9 Hawaii agricultural development revolving fund pursuant to  
10 section 163D-17, Hawaii Revised Statutes."

11 SECTION 6. Part IV of Act 250, Session Laws of Hawaii 2025,  
12 is amended as follows:

13 1. By adding a new section to read:

14 "SECTION 13.1 SUPPLEMENTAL APPROPRIATIONS. The legislature  
15 finds that the grant recipients named in this part have applied  
16 for a grant pursuant to section 42F-102, Hawaii Revised  
17 Statutes, and qualify to receive a grant pursuant to section  
18 42F-103, Hawaii Revised Statutes.

19 There is appropriated out of the general revenues of the  
20 State of Hawaii the sum of \$20,000,000 or so much there-of as  
21 may be necessary for fiscal year 2026-2027 to the office of

HB1800 CD1 FIN-2



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**H.B. NO.** 1800  
H.D. 1  
S.D. 1  
C.D. 1

**CAPITAL IMPROVEMENT PROJECTS**

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)			
				FISCAL YEAR 2025-2026	M O F	FISCAL YEAR 2026-2027	M O F
1		AGR192 - GENERAL ADMINISTRATION FOR AGRICULTURE					
2							
3	5.	MISCELLANEOUS HEALTH, SAFETY, CODE,					
4		AND OTHER REQUIREMENTS, STATEWIDE					
5							
6		DESIGN AND CONSTRUCTION FOR					
7		IMPROVEMENTS TO ADDRESS HEALTH, SAFETY,					
8		CODE, AND OTHER REQUIREMENTS, STATEWIDE.					
9		TOTAL FUNDING.	AGS	1,900	C	2,200	C
10							
11		BED170 - AGRIBUSINESS DEVELOPMENT AND RESEARCH					
12							
13	6.	ACQUISITION OF AGRICULTURAL LANDS,					
14		KAPAIA, KAUAI					
15							
16		LAND ACQUISITION FROM GROVE FARM ON					
17		KAUAI.					
18		TOTAL FUNDING	BED	39,000	C		C
19							
20	7.	ACQUISITION OF AGRICULTURAL LANDS,					
21		WAIMEA, KAUAI					
22							
23		LAND ACQUISITION FOR AGRICULTURAL					
24		LANDS ON KAUAI, TMKS: 1-6-001-045, 1-6-					
25		001-030, AND 1-6-001-028.					
26		TOTAL FUNDING	BED	1,300	C		C
27							
28	8.	AGRICULTURAL INFRASTRUCTURE					
29		IMPROVEMENTS, OAHU					
30							
31		PLANS, DESIGN, CONSTRUCTION, AND					
32		EQUIPMENT FOR IMPROVEMENTS TO					
33		AGRICULTURAL INFRASTRUCTURE IN WAHIAWA					
34		AND WAIALUA, OAHU.					
35		TOTAL FUNDING	BED	9,200	C		C
36							
37							



**H.B. NO.** 1800  
H.D. 1  
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C.D. 1

**CAPITAL IMPROVEMENT PROJECTS**

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)			
				FISCAL YEAR 2025-2026	M O F	FISCAL YEAR 2026-2027	M O F
1	9.	ANIMAL PROCESSING AND STORAGE FACILITY, OAHU					
2							
3							
4		PLANS, DESIGN, CONSTRUCTION,					
5		EQUIPMENT, AND FURNISHINGS FOR A					
6		DEDICATED SMALL ANIMAL PROCESSING AND					
7		STORAGE FACILITY ON OAHU TO SUPPORT POST-					
8		SLAUGHTER HANDLING. THIS FACILITY WILL					
9		INCLUDE AREAS FOR CARCASS BREAKDOWN, MEAT					
10		CUTTING, PACKAGING, CHILLING, AND COLD					
11		STORAGE TO EXPAND LOCAL CAPACITY FOR					
12		SAFE, HIGH-QUALITY MEAT PROCESSING. THE					
13		PROJECT WILL SERVE SMALL- AND MID-SIZED					
14		PRODUCERS, IMPROVE LOCAL FOOD SYSTEM					
15		INFRASTRUCTURE, AND ENHANCE THE					
16		AVAILABILITY OF HAWAII-GROWN MEAT FOR					
17		CONSUMERS.					
18		TOTAL FUNDING	BED	17,000 C			C
19							
20	10.	COMMERCIAL LAND PURCHASE, OAHU					
21							
22		LAND ACQUISITION OF COMMERCIAL LAND					
23		ON OAHU, TMK 7-1-006-001.					
24		TOTAL FUNDING	BED	500 C		4,500 C	
25							
26	11.	CONSTRUCTION FOR A STATE POSTHARVEST					
27		FACILITY, OAHU					
28							
29		PLANS, DESIGN, CONSTRUCTION, AND					
30		EQUIPMENT FOR A POSTHARVEST FACILITY ON					
31		OAHU, TMKS 7-1-002:004 (POR.); 009					
32		(POR.); 023 (POR.).					
33		TOTAL FUNDING	BED	22,076 C			C
34							
35							



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**CAPITAL IMPROVEMENT PROJECTS**

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)			
				FISCAL YEAR 2025-2026	M O F	FISCAL YEAR 2026-2027	M O F
1	12.	FOOD AND PRODUCT INNOVATION NETWORK					
2		(FPIN), STATEWIDE					
3							
4		PLANS, DESIGN, CONSTRUCTION,					
5		EQUIPMENT, LAND ACQUISITION, AND					
6		FURNISHINGS FOR A FOOD AND PRODUCT					
7		INNOVATION NETWORK, STATEWIDE.					
8		TOTAL FUNDING	BED	350	C		C
9							
10	13.	FOOD PROCESSING PLANT, OAHU					
11							
12		LAND ACQUISITION, PLANS, DESIGN,					
13		EQUIPMENT, AND FURNISHING FOR A FOOD					
14		PROCESSING PLANT, OAHU, TMKS 7-4-005-032					
15		AND 7-4-005-018.					
16		TOTAL FUNDING	BED	6,275	C	650	C
17							
18	14.	IRRIGATION SYSTEM, OAHU					
19							
20		PLANS, DESIGN, LAND ACQUISITION,					
21		REHABILITATION, AND EXPANSION COSTS FOR					
22		AN AGRICULTURAL IRRIGATION SYSTEM,					
23		WAHIAWA, OAHU.					
24		TOTAL FUNDING	BED	2,000	C		C
25							
26	14.1	PROCESSING MANUFACTURING FACILITY,					
27		OAHU					
28							
29		PLANS, DESIGN, EQUIPMENT,					
30		CONSTRUCTION AND APPURTENANCES FOR					
31		ENTREPRENEUR PROCESSING MANUFACTURING					
32		FACILITY, TMK 7-1-002:009 AND 7-1-002:004					
33		(POR).					
34		TOTAL FUNDING	BED		C	6,000	C
35							
36							



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**CAPITAL IMPROVEMENT PROJECTS**

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)			
				FISCAL YEAR 2025-2026	M O F	FISCAL YEAR 2026-2027	M O F
1	15.	PURCHASE OF LAND LOCKED BETWEEN					
2		STATE-OWNED LAND, OAHU					
3							
4		LAND ACQUISITION FOR AGRICULTURAL					
5		LANDS ON OAHU, TMK 6-5-002-027.					
6		TOTAL FUNDING	BED	3,000	C		C
7							
8	16.	SMALL ANIMAL SLAUGHTERHOUSE, OAHU					
9							
10		LAND ACQUISITION, PLANS, DESIGN,					
11		CONSTRUCTION, AND FURNISHING EQUIPMENT					
12		FOR A SMALL ANIMAL SLAUGHTERHOUSE.					
13		GROUND AND SITE IMPROVEMENTS, EQUIPMENT,					
14		AND APPURTENANCES, OAHU.					
15		TOTAL FUNDING	BED	4,000	C		C
16							
17	17.	WAIHAOLE WATER SYSTEM IMPROVEMENTS,					
18		OAHU					
19							
20		PLANS, DESIGN, CONSTRUCTION AND					
21		EQUIPMENT FOR IMPROVEMENTS TO THE					
22		WAIHAOLE WATER SYSTEM AND APPURTENANT					
23		WORKS.					
24		TOTAL FUNDING	BED	2,500	C		C
25							
26	18.	WASTEWATER RECLAIMED WATER IRRIGATION					
27		SYSTEM, OAHU					
28							
29		PLANS, DESIGN, CONSTRUCTION, AND					
30		EQUIPMENT FOR A WASTEWATER RECLAIMED					
31		WATER IRRIGATION SYSTEM AND INTAKE PUMP					
32		STATION, WAHIAWA, OAHU.					
33		TOTAL FUNDING	BED	4,000	C		C
34							
35							



# **FY 2028 & FY 2029**

## **ADC Draft Budget Requests for Discussion**

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**Operational Requests  
Additional Positions**

Priority	Description	MOF	FY28			FY29			Justification
			P	T	\$	P	T	\$	
1	Program Specialist	W		1.00	85,000		1.00	87,550	The Program Specialist prepares the technical specifications and scope prior to procurement and is a missing component in the ADC organization. The position differs from the Project Manager who coordinates the execution of a contract and the Contract Manager who administers the contract for compliance, and documentation.
2	Senior Project Manager	W		1.00	180,000		1.00	185,400	A Senior Project Manager is needed to oversee the highly complex statewide initiatives, interagency infrastructure and capital projects, and federally or legislatively funded initiatives involving multiple stakeholders and long-term strategic implementation
3	Water System Administrative Services Manager	W		1.00	160,000		1.00	164,800	ADC has had to OTJ incidents in the past year and a key deliverable of this position is to organize safety training and equipment to prevent future injuries. The position will support all aspects of the administrative needs of the ADC's water systems on all islands and deliver the required state mandates for food production. ADC is currently working on water systems on Oahu and Kauai, and in the process of taking over operation of the Wahiawa Irrigation System. The position will also maintain the safety manual and training updates in support of the establishment of an effective safety culture.

**Additional Positions (coninued)**

Priority	Description	MOF	FY28			FY29			Justification
			P	T	\$	P	T	\$	
4	ADC Administrative Assistant	W		1.00	85,000		1.00	87,550	<p>Without this position, ADC’s limited administrative capacity will continue to be heavily relied upon to support the operational, scheduling, correspondence, and coordination needs of both the ADC Board and the Executive Director. As the Senior Secretary position provides critical direct support to Board governance functions and executive-level coordination, the remaining staff are increasingly required to absorb broader administrative and operational support responsibilities in addition to their existing project, asset management, irrigation system, and programmatic duties.</p> <p>Establishing this position is necessary to help balance organizational support functions across the agency, allowing operational and technical staff to remain focused on implementation of ADC’s statutory responsibilities, capital improvement projects, agricultural infrastructure operations, tenant and land management activities, and the continued stewardship of approximately 22,000 acres of land in food production. Without additional operational support capacity, ADC risks delays in project delivery, reduced organizational efficiency, and challenges in meeting the growing workload associated with expanding Board initiatives, acquisitions, compliance requirements, and statewide food security objectives.</p>
5	ADC Construction Manager	W		1.00	150,000		1.00	154,500	<p>This position will support the ADC's ability to deliver the required state mandates for food production and the projects the corporation has been tasked to complete. The ADC has increased the number and complexity of active projects it is responsible to deliver. The ADC has only one position managing all the projects.</p>

**Additional Positions (coninued)**

Priority	Description	MOF	FY28			FY29			Justification
			P	T	\$	P	T	\$	
6	Facility Engineer	W		1.00	120,000		1.00	123,600	Position is needed to coordinate and oversee facility deferred maintenance and plan forward looking known standard repairs and maintenance. Delayed maintenance frequently results in significant costs beyond the costs of regular maintenance. Failing to complete scheduled maintenance may result in downtime of facilities that may impact the public or ADC staff and users.
		Total	-	6.00	780,000	-	6.00	803,400	

**Personnel, training, travel**

Priority	Description	MOF	FY28		FY29		Justification	
				\$		\$		
1	ADC Staff, training and travel	W		250,000		250,000	11 staff will need to travel between islands at about 3 trips per month, est. 200 trips. The travel is for staff to attend ADC board meetings, public meetings, training, and site visits that require in-person attendance. In addition the CRFPIN Manager is traveling for growing the food manufacturing initiatives	
2	Board Of Directors, training and travel	W		60,000		60,000	ADC is a statewide organization, requiring meetings with statewide shareholders and communities to deliver rural development, jobs and food manufacturing opportunities across the state. The ADC Board needs to hear and see how communities need support for their agribusiness entrepreneurs as well as see how CIP funding has been deployed. BOD meetings on Kauai, Oahu, Maui, Big Island x 11 plus Opening Day and Ag Day	
3	ADC Executive Director, training and travel	W		40,000		40,000	Executive Director will need to travel to the neighbor Island regularly perhaps twice a month, attend the HFBF Conference, Cattlemen's Conference, and out-of-state travel to The Executive Director is required to regularly travel to neighbor islands, potentially multiple times per month, to oversee ADC operations, irrigation systems, infrastructure projects, and Board priorities; meet directly with staff, tenants, agricultural stakeholders, and community members; and coordinate interagency initiatives across the State. Travel is also necessary to represent ADC at key industry and policy conferences, including the Hawai'i Farm Bureau Federation Conference and Cattlemen's Conference, as well as strategic out-of-state meetings related to agricultural infrastructure, food security, water systems, energy resilience, federal partnerships, and grant opportunities that support ADC's statutory mission and statewide economic diversification efforts.	
Total			-	0.00	350,000	-	0.00	350,000

**Consultants, supporting ADC staff, operations, and projects**

Priority	Description	MOF	FY28		FY29		Justification
				\$		\$	
1	Attorney to manage the ADC's NPDES permitting in Kekaha	A		1,500,000		1,000,000	A recent NPDES permit imposed significant ongoing sampling, testing, monitoring, reporting, and compliance obligations on ADC and co-permittees, while not fully recognizing long-standing agricultural operational exemptions and realities associated with state irrigation and drainage systems. The permit framework creates substantial operational and financial burdens requiring continuous coordination with the Department of Health, development of compliance terms and implementation strategies, management of ongoing permit conditions, and defense against current and potential future litigation.
2	Contract with an accounting consultant	W		150,000		50,000	Critical funding is needed to insure expedited revenue generation through automation. The funds will be used to complete the accounting consultant work to address the recommendations of the 2019 financial audit. The ADC is in near completion of addressing the recommendations of the state audit. The request will allow the corporation to complete the work needed to comply with GAAP standards.
3	IT Support for ADC's remote locations	W		200,000		200,000	Funding for dedicated IT support is critical to maintaining employee productivity, operational continuity, and staff retention across ADC's statewide operations. Currently, ADC staff spend significant time self-supporting IT needs due to limited centralized support. DBEDT's IT services primarily support users within the State Office Tower and do not adequately serve ADC's remote offices and field operations in Whitmore, Hālawā, and Kaua'i.  As a result, operational staff are diverted from core responsibilities to address technology, connectivity, hardware, and system issues. Funding will support reliable IT services for ADC's remote operational footprint, improve efficiency and cybersecurity, reduce downtime, and allow staff to remain focused on ADC's statutory, operational, and project delivery responsibilities.

**Consultants, supporting ADC staff, operations, and projects (continued)**

Priority	Description	MOF	FY28		FY29		Justification
				\$		\$	
4	Construction management consultants	A		350,000		350,000	<p>Funding is needed to insure the state receives the goods and services contracted on several projects for food manufacturing- meeting state mandates and ADC statutes for increasing local food production. The funds will support the ADC's ability to deliver the projects the corporation has been tasked to complete. The ADC has increased the number and complexity of active construction projects it is responsible to deliver. Delivering on the ADC projects supports the required state mandates for increase of local Funding is needed to support ADC's delivery of increasingly complex food manufacturing and agricultural infrastructure projects that advance ADC statutes and statewide food production mandates. ADC currently has no dedicated construction management capacity despite a growing portfolio of active projects.</p> <p>The use of a design-bid-build process provides cost savings through competitive bidding, improved project definition, and reduced change orders. Funding would also allow ADC to leverage specialized support through contracts or partnerships with other DBEDT agencies, maximizing existing state resources while improving project delivery and accountability.</p>
5	Grant Writing Service	W		120,000		120,000	<p>ADC lacks sufficient staffing capacity to pursue and manage federal and philanthropic grant opportunities for critical agricultural and water infrastructure projects. Funding will support grant development efforts focused on expanding irrigation capacity, utilizing R-1 recycled water, increasing agricultural production, and improving public safety through wildfire mitigation and water resiliency projects.</p>

**Consultants, supporting ADC staff, operations, and projects (continued)**

Priority	Description	MOF	FY28		FY29		Justification
				\$		\$	
6	Development of Good Agricultural Practices (GAP) systems for ADC farm operations	A		100,000		100,000	Funding will enable 5,000 acres of ag production in central Oahu to participate in institutional purchasing contracts- meeting state mandates. The funds will be used to develop Good Agricultural Practices (GAP) working with Hawaii industry partners. It is critical for Hawaii farmers to meet food safety requirements, to support the industry and ADC tenant farmers the ADC will work with Hawaii based industry stakeholders to improve Hawaii farmers practices. This work and a clear understanding of NEPA will support the ADC's ability to deliver the required state mandates for food production.
7	Kekaha National Environmental Policy Act (NEPA) review	A		750,000		750,000	Funding is needed to complete NEPA review for seven bridges in Kekaha, a critical step to position ADC to compete for up to \$20 million in federal no-match infrastructure grant opportunities. These bridges provide the only alternate access route to the Pacific Missile Range Facility, which supports approximately 1,000 employees on Kaua'i, and serve as an important emergency access alternative for Waimea town during roadway closures or natural disasters.
Total			-	0.00	3,170,000	-	2,570,000

**Consultants, Improvements, evaluation, planning of current property**

Priority	Description	MOF	FY28			FY29			Justification
					\$			\$	
1	Waiahole Water System base yard improvements, Waiahole Valley, Oahu	W			75,000			75,000	One of the OTJ accidents was due to facilities needing to be reinforced- this is critical for safety and retention of key personnel. The funds will be used to remove and construct new base yard storage and workspace. The existing facility is decades old and portions of the building have significant termite damage. The facility is needed to safely and securely store the Waiahole Waters System's equipment.
2	Mililani Agricultural Tech Park development	A			100,000			50,000	Funding is needed in order to launch new businesses in the Mililani Tech Park that are focused on reducing costs and increasing productivity of local farmers- enabling the state to become self-sufficient. The funds will be used for title, legal, and planning work with the land use commission to work on the process to develop agricultural projects on newly acquired property in Mililani
3	Waiahole Valley Lot 48 & 49 assessment, remediation, and renovation	A			-			120,000	Funds to be used to perform assessment, remediation, and renovation of the buildings on Waiahole Valley lots 48 and 49. structures to be used for storage, security and worker housing.
4	Decommission Mana reservoir, Kekaha, Kauai	A			75,000				Funding is needed for public safety. The reservoir is no longer needed to manage the irrigation water needs of the area. The reservoir is a high-risk reservoir and will be costly to improve to meet dam safety requirements. Decommissioning is the most cost effective long-term option post.
5	EA/EIS-Kekaha	A			1,000,000				Expand ag production in Kekaha to increase local food production, ag exports and insure public safety by keeping lands active in food production, and providing public safety from wildfires
Total			-	-	1,250,000	-	-	245,000	

**Supporting maintaining property and projects**

Priority	Description	MOF	FY28			FY29			Justification
					\$			\$	
1	Security Services	A			2,500,000			2,500,000	Critical funding to keep ag lands in production to meet state mandates, institutional purchasing goals and ADC statute. The funds will be used to hire security guards to patrol ADC property in central Oahu, and Kauai. The ADC manages over 22,000 acres of land and 3 water systems, some more than 25 miles in length. Agriculture theft reduction will help support the agriculture businesses operating on state lands.
2	Equipment for Waiahole Water System maintenance	A			450,000				Funding is required to reduce workplace injuries through old equipment. Purchase of equipment to be used to maintain ditch irrigation system. Excavator, Skid Steer, Mower, Trailer. The equipment will be used to safely and effectively maintain the ditch irrigation system.
3	SCADA repairs for Waiahole Water System (WWS)	W			50,000				Wai is a sacred resource, and this funding is needed to adequately insure delivery and preservation for food production. SCADA water monitoring system is not operating, the system has been damaged in the field and needs hardware support in the Halawa office. The system helps the Waiahole Water System monitor and manage water flow to the farmlands.
4	Water System monitoring and metering	A			75,000				Consultant to design water system monitoring and metering.
Total			-	-	3,075,000	-	-	2,500,000	

**Other Operating Costs**

Priority	Description	MOF	FY28		FY29		Justification	
				\$		\$		
1	NPDES Compliance with HDOH fines	A		650,000		650,000	Funding is required to meet legal compliance requirements and to avoid noncompliance fines of \$60,000/day. This is a court ordered compliance needed to operate the ag property in west Kauai	
2	Agricultural Event Sponsorships	A		250,000		250,000	The funds will be used to support agriculture industry stakeholder organizations to promote Hawaii agriculture to Hawaii consumers and export markets. Sponsoring will support the agriculture industry and ADC's work to support increasing local food production.	
3	FY28 One (1) Replacement vehicle for Waiahole Water System (WWS) and One (1) Vehicle for Wahiawa Irrigation System Manager FY29 One (1) Replacment vehicle Waiahole Water System	A		180,000		90,000	Planned vehicle purchase for replacement of old and unserviceable vehicle.	
4	One (1) New vehicle for ADC main office use	A				70,000	New vehicle purchase, ADC staff frequently goes to site and field visits and must use personal vehicles for these purposes. The vehicle will also be used by visiting ADC staff from other islands opposed to renting a vehicle.	
5	Property management software consulting			650,000			Funding is required in order to manage over \$50M of state assets, including ceded lands that generate revenue for OHA and DHHL. The funds will be used to pay for the cost to support the ADC's Yardi property management system.	
6	Update to ADC's strategic plan, due July 1, 2028			175,000			The funds will be used to comply with HRS163D-5(d). The ADC is required to update the corporations strategic plan every five years. Funding is critical for ADC to strategically plan financially for the future increasing food production and blending capital from public, private and philanthropic organizations to grow the state's ag economy.	
Total			-	-	1,905,000	-	-	1,060,000

**Capital Improvement Project Requests**

**Improvements to existing projects property, deferred maintenance**

Priority	Description	MOF	FY28	FY29	Justification
			\$	\$	
1	Reservoir 155 Lining Funding Gap, Kunia, Oahu	C	6,500,000	5,000,000	Public Safety & Legal: Failure to fund this item could result in significant fines and penalties associated with non-compliance under a legal settlement agreement and may place human lives at risk. Funding is needed for long overdue repairs to the Reservoir 155 lining required to bring the facility into compliance, as well as spillway upgrade design work requested by Dam Safety following impacts and risk concerns identified during the Kona storm event. The reservoir system is critical for public safety, wildfire response, and irrigation water delivery necessary to sustain and increase local food production.
2	Wahiawa Irrigation System Repairs, Oahu	C	8,000,000	11,000,000	Public Safety & Legal: Implementation of #2 Recommendations for Significant Immediate Repairs and in FY23 and Repairs for Active Components of the System in FY29
3	East Kauai Irrigation System System Repairs	C	5,000,000	5,000,000	Repairs recommended in HDOA study
4	Monitoring equipment for all reservoirs	C	2,000,000	80,000	One each: Wahiawa (3), EKIS (2), Grove (2) @ \$40k/each
5	Improve Hanamaulu Ditch earthen tunnels, Lihue Kauai	C	350,000		The funding is needed to fulfill state mandates and ADC statute. Funding The funds will be used to address deferred repair and maintenance of the Hanamaulu earthen tunnels that supply irrigation water to the Lihue area agricultural operations. The tunnels have collapsed several times and are in need of improvements. The funds will be used to hire a consultant to plan, design, and construct a solution to protect the ditch from soil collapsing into and blocking the ditch. The likely solution will be to insert a large pipe to protect the water flow.
6	AAHOAKA Dam Improvements, Kalepa, Kauai	C	100,000		The dam improvements fulfill the ADC Statute of supporting the economic, environmental and social benefit for the people of Hawaii. Necessary to address dam safety violations in order to reclassify dam from jurisdictional to non-jurisdictional. Improvements required for Aahoaka Dam (clearing perimeter, staff gauge w/ real-time remote monitoring, and dam stability/hydrology analysis)
7	Deferred Maintenance Waiahole Gates	C		150,000	Repair gates for public safety

**Improvements to existing projects property, deferred maintenance (continued)**

Priority	Description	MOF	FY28	FY29	Justification
			\$	\$	
8	Demolition of four covered warehouses, Whitmore, Oahu	C		500,000	Demolition is required to store locally grown food to meet state mandates and institutional purchasing while abiding by food safety laws. Demolition of the buildings creates the space for cold storage rental units for increasing local food production for local people and grow local purchasing by institutional. Prior projects involving these buildings revealed the presence of lead and asbestos in the paint. Additionally, loose roofing panels on the structures are a hazard to the local community. The demolition of four covered warehouses, one Quonset hut, and two derelict structures in Whitmore Village (WW-F, WW-G, WW-H, WW-I, WW-J, WW-K, WW-U) will remove the hazard from the state owned property and nearby community. The area will be used for agricultural product and business development which supports the state's goal to diversify the economy and increase local food production.
9	Install highway-grade railing at Maalo Rd overpass	C	100,000		The funding is necessary for public safety and fulfilling the ADC Statute of economic, environmental and social benefit of Hawaii's people. Current fencing is flimsy and rusting. Boulders along the edge could tumble down and damage vehicles passing along Maalo Rd
Total			22,050,000	21,730,000	

**Improvements to existing projects**

Priority	Description	MOF	FY28	FY29	Justification
			\$	\$	
1	Provide electrical power and data connection to Bot Well, pump and well facility. Galbraith, Oahu	C	125,000		The funding will directly affect local food production prices- lowering the cost to pump water lowers the costs passed onto local customers. The action enables ADC to fulfill it's mission of more local food for local people- creating cost savings for our local communities. The Bot Well pump facility provides water to the farm operations on 2,000+ acres of active farmland. The electrical power will enable the ADC to discontinue the use of diesel fuel to deliver water and will provide power and data for the security container installed on the site. The power and data connection will improve the safety and security conditions of the farmers, and ADC staff and contractors. The data connection will enable the ADC to improve the monitoring and operation of the water system equipment.
	East Kauai Irrigation System (EKIS) Ditch Improvements	C	500,000		Funding is critical for restoring water to a large piece of land that is being licensed to small disadvantaged farmers for diversified crops to feed local people- fulfilling state mandates, and ADC statute. One time vegetation removal along East Kauai Irrigation System ditch. Critical to make the clearing improvements to the ditch for proper flow and prevent ditch collapse.
		Total	625,000	-	

**New projects**

Priority	Description	MOF	FY28	FY29	Justification
			\$	\$	
1	Install pipeline from Upper Kapahi Reservoir to Hauiki Road, Lihue, Kauai	C	300,000		The risk of not funding jeopardizes the state's goal of increasing local food, growing the ag economy and by keeping land in production, fuel load is reduced creating public safety against wildfires. The funds will be used to plan, design, construct and install equipment and materials to improve the delivery and distribution of surface irrigation water to the Kalepa farmlands, the State parks and DHHL property.
2	Installation of Wildfire Monitoring & Detection system in Kekaha and Kalepa, Kauai	C	1,500,000	1,500,000	The funding is necessary for public safety and fulfilling the ADC Statute of economic, environmental and social benefit of Hawaii's people. The system could also warn of fire towards the largest employer in Kauai, PMRF and their 1,000 employees. The funds will be used for the plans, designs, construction, and equipment installation for and 24hour - 365days a year wildfire monitoring and detection system for Kalepa and Kekaha. The system will provide early detection and communication to emergency responders to mitigate wildfires. Early detection is key to mitigate the damage of wildfire.
3	Feasibility study for hydroelectric power generation on ADC owned water systems, Central & Windward Oahu, Kekaha & Kalepa Kauai	C	500,000		The study is needed to grow both local food and agricultural business. The funds will be used to develop feasibility study for hydroelectric power generation for the Waiahole Water System (WWS), Wahiawa Irrigation System (WIS), Kokee Ditch Irrigation System (KODIS), and East Kauai Irrigation System (EKIS). ADC's mission to develop new and expand existing agribusiness efficiencies will use the feasibility study to use hydroelectric power to support the power needs of agriculture processing. The reduction of power costs related to storing and processing agricultural products will significantly help Hawaii businesses to be competitive for the local market as well as export markets.
4	Plans and designs for new warehouses in the Central Oahu Agricultural Center, Whitmore, Oahu	C	2,000,000		Funding is required for meeting state food mandates, institutional purchasing and ADC statute. The warehouses are critical in increasing the agribusiness economy by insuring shelf stable food for Hawaii's people and creating jobs. The funds will be used to develop plans and designs for portions of the Central Oahu Agricultural Center. There is a shortage of warehouse and cold storage space for agricultural production. This project provides support for agricultural producers as well as new product development businesses in the area.
5	Plans, design, and construction drawings of Kalepa office and storage structure, Kalepa, Kauai	C		750,000	The storage protects the equipment used to insure crop production, the meeting of state mandates and ADC Statute. There is a lack of storage and office space for ADC operation on the east side of Kauai. Planning, designs, and construction drawings of Kalepa office and storage structure (shovel-ready plans) (permitting and construction funds to follow)

**New projects (continued)**

Priority	Description	MOF	FY28	FY29	Justification
			\$	\$	
6	Oahu-Build out of the FPIN/EPMF Concept, Central Oahu		60,000,000		Funding the Entrepreneurial Food Manufacturing Facility is critical in providing shelf stable food that insures food stability during natural disasters, displaces imported food, grow more local food to meet state mandates, but most importantly provides 6 months to 2 years of food security for Hawaii's people . The funds will be used for plans, designs, construction, and equipment to build the Food & Product Innovation Network / Entrepreneurial Product Innovation Center. As part of Hawaii's need to diversify the economy, the FPIN/EPIC project area will provide the infrastructure for Hawaii based businesses to create new products from agricultural products grown in Hawaii. Hawaii once was a major producer of agricultural products and exported products.
7	Concept Development & Design for FPIN/EPMF Hawaii Island		5,000,000	50,000,000	
8	FPIN/EPMF Maui		5,000,000	5,000,000	Land Acquisition; Design
9	Install HDPE pipe to reduce Kekaha Irrigation System water loss, Kekaha, Kauai		2,000,000		Eliminating this line item, eliminates the opportunity to meet state mandates for food security, and fueling the local economy through the 600 jobs of workers on Kauai who rely on the water to grow local food- meeting state mandates. The funds will be used to install HDPE state owned pipe to reduce or prevent system water loss caused by percolation and evaporation of irrigation water.
10	Improve and Install HPDE lining on 14 existing small reservoirs, Kekaha, Kauai		630,000		Each of these reservoirs have been used over the past two years to fight devastating area wildfires. The reservoirs keep ag land in production, lowering fuel loads and increasing public safety. The lands in production meet state mandates and fulfill the ADC statute. The funds will be used to plan, design, construct and install equipment and materials to line small reservoirs in Kekaha, Kauai. The lining will greatly reduce the system loss of irrigation water. The liner will also allow for better management of the water resource.
11	Purchase of Dole Land			58,204,000	Acquisition of the Dole property would preserve 3,000 + acres of prime agriculture land in central Oahu.
Total			76,930,000	115,454,000	

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WATER INFRASTRUCTURE & AGRICULTURAL  
DEVELOPMENT

**DRAFT  
ADC  
PROJECTS  
2026**

<https://dbedt.hawaii.gov/adc/> / + (808) 586-0186 / [dbedt.adc@hawaii.gov](mailto:dbedt.adc@hawaii.gov)

# PURCHASE OF GAY & ROBINSON LAND

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**Description:** Acquire agricultural lands in Waimea, Kauai that contains portions on the Kekaha Irrigation System.

**Funding:** \$1.3MM, MOF-C authorized by Act 250, SLH 2025

**Status:** ADC conducting its due diligence (appraisal and ESA) to facilitate the land acquisition.

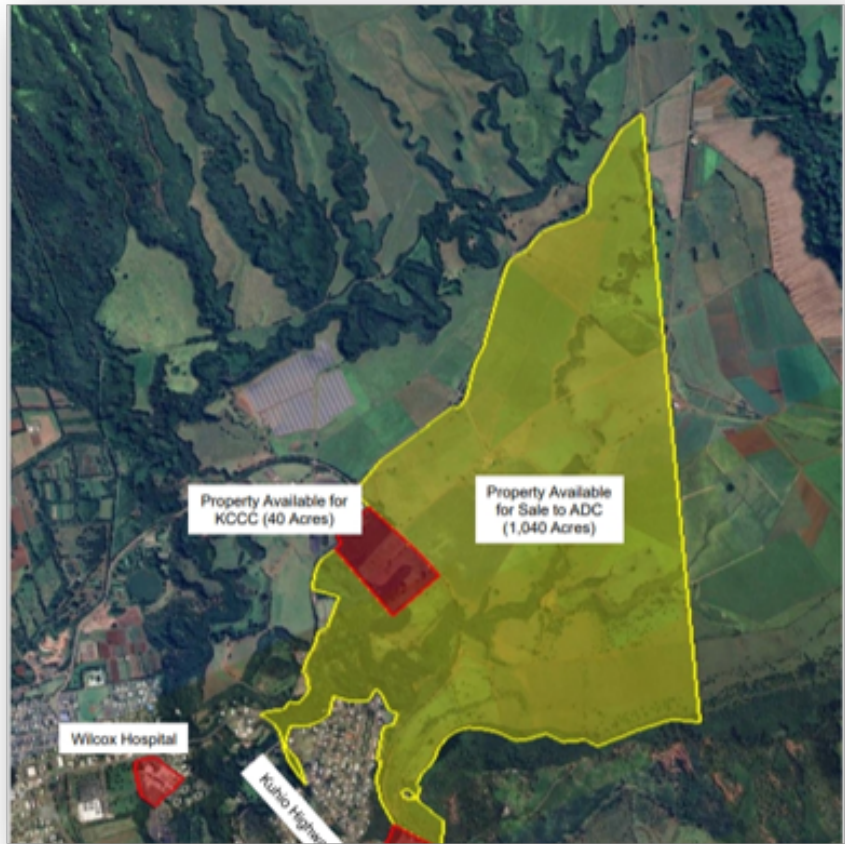


# PURCHASE OF GROVE FARMLAND

**Description:** acquire 1,076 acres of agricultural lands in Kapaia, Kauai.

**funding:** \$39mm, mof-c authorized by act 250, slh 2025

**Status:** ADC conducting its due diligence (appraisal and ESA) to facilitate the land acquisition.

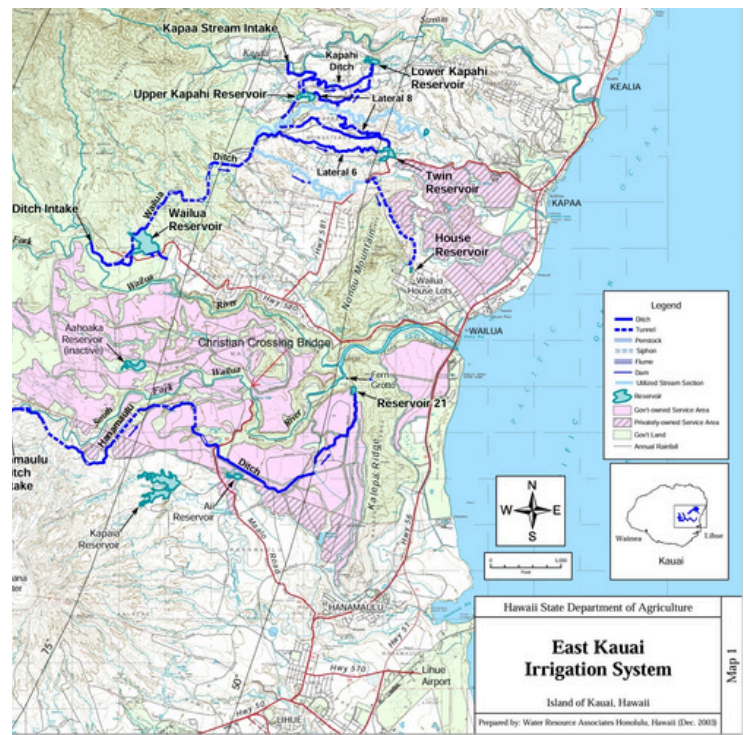


# EAST KAUAI IRRIGATION SYSTEM

**Description:** Acquire and manage east Kauai irrigation system

**Funding:** TBD

**Status:** Pending transfer from DLNR. ADC hired a Kauai Water Manager and two water system employees. Set up meeting with water system stakeholders.



KAUAI

# WAIAWA HYDRO POWER PLANT IMPROVEMENTS, KEKAHA, KAUAI

**Description:** The state of Hawaii agribusiness development corporation (“ADC”) is required to modify the existing hydro power plant, existing stream diversions from two streams in the Waimea watershed into the Kekaha ditch in Kekaha, Kauai in order to meet instream flow standards modifications include changes to the existing concrete diversions, and the installation of transducers and telemetric equipment to instantaneously relay water flows to the commission on water resource management, DLNR (“CWRM”).

**Funding:** \$3.5MM, MOF-C FY23, funds encumbered



KAUAI

# KOKEE IRRIGATION SYSTEM IMPROVEMENTS

**Description:** plans, design, construction, and equipment to improve the Kekaha irrigation system on Kauai. Work includes installing a pressurized line and furnishing and delivering heavy equipment.

**Funding:** \$6.47MM, MOF-C FY25 requested but not received

**Status:** Did not receive funding to complete project.



# KEKAHA AGRICULTURE ASSOCIATION PROCESSING FACILITY

**Description:** plans, designs, and construction for processing and cold storage facility in Kekaha, Kauai. ADC currently manages 12,000 acres of agricultural land and this facility will support the farmers and producers' in in the area. the facility will include vacuum cooling and cold storage, and processing area to slice and package produce. the project will serve small and mid-sized producers, improve local food system infrastructure, and enhance the availability of Hawaii grown produce for consumers. the facility supports Hawaii's goal to be more food self-sufficient and meets the demand for food safety certified facilities in the region.

**Funding:** \$2MM, MOF-C FY25, funds lapse June 30, 2026

**Status:** Completing the bid docs for immediate posting on HIePRO to get bids before June 12, 2026, so that funding can be encumbered.



# NPDES PERMIT

**Description:** Kekaha National Pollutant Discharge Elimination System permit compliance and related costs.

**Funding:** No appropriation

**Status:** Permit delivered in August 2025. Plan completed and approved by HDOH in October 2025. Monitoring services began on December 31, 2025 to comply with permit.



# PMRF

**Description:** Operation of pump

**Funding:** contract with Navy to be reimbursed for costs

**Status:** ADC Board authorized the ADC Executive Director to enter into a contractual agreement to operate and maintain the pumps at Kawaiele. ADC responded to the Navy and is working on a proposal. ADC needs to procure its subcontractors to perform services required by the Navy that ADC does not have expertise to do. These services include but are not limited to Site and Safety Health Officer, Quality Assurance, Operator, and monitoring. Currently going through the request for proposal.



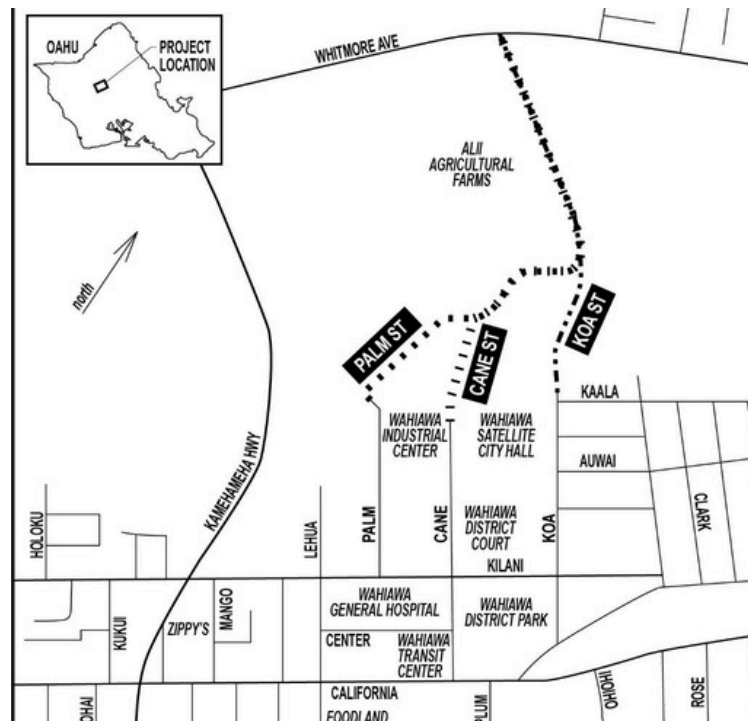
# WAHIAWA PEDESTRIAN BRIDGE

## WHITMORE VILLAGE PEDESTRIAN ACCESS

**Description:** Establish pedestrian access connecting Whitmore Village and Wahiawa. To be done in 2 phases: Whitmore Ave to bridge, and bridge to Kilani Avenue

**Funding:** None for ADC

**Status:** working to acquire Whitmore side of the bridge landing. Part of the Wahiawa Irrigation System project.

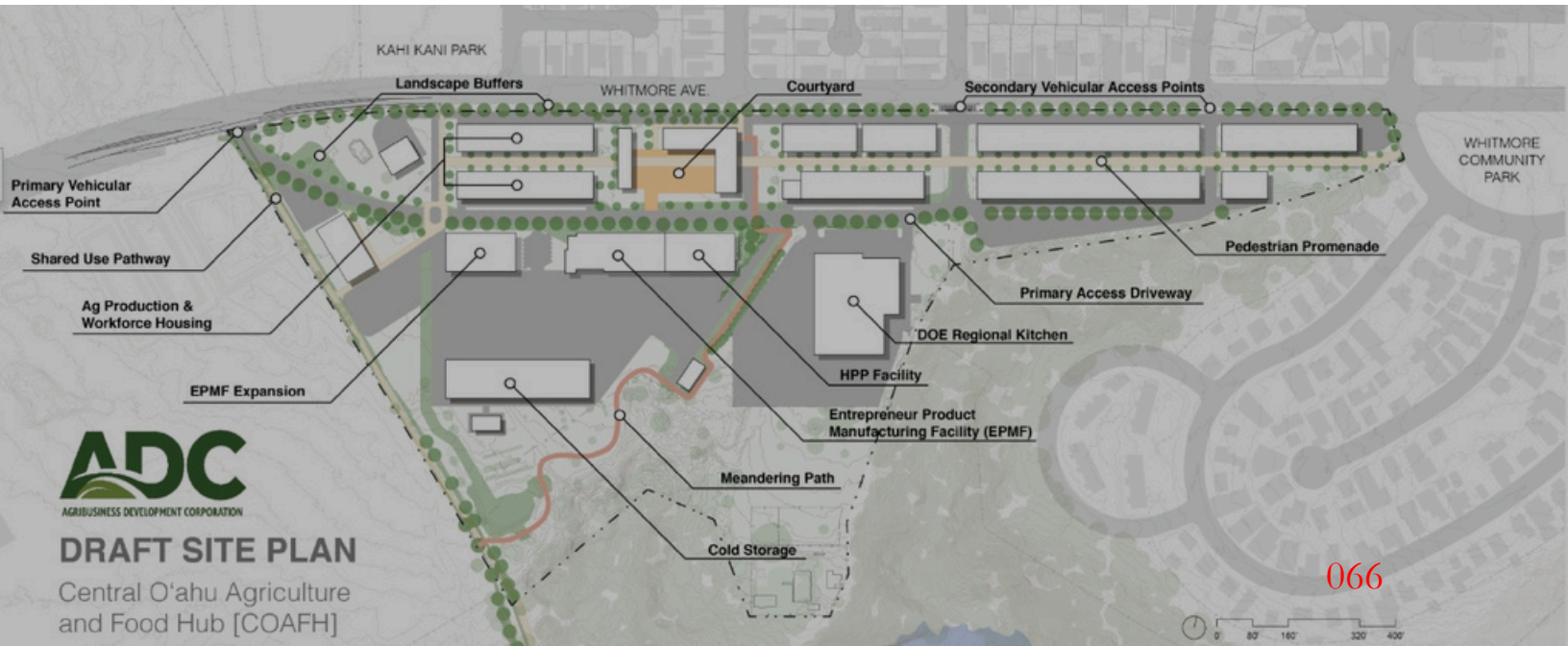


# CENTRAL OAHU AG FOOD HUB INFRASTRUCTURE AND WAREHOUSE

**Description:** Develop infrastructure improvements and warehouse needed to support Central Oahu Ag and Food Hub, including HPP facility, DOE Central Kitchen, warehouses, offices and possibly, housing.

**Funding:** DAGS received \$28MM, MOF – C, ACT 88 FY22: for plan, design, construction, and equipment for warehouses.

**Status:** Sewer mains and water lines installed. Other work is pending HECO approval. ADC to bring an ROE for HECO to the ADC Board to allow HECO to construct the interim and permanent power in June.



# CENTRALIZED KITCHEN

**Description:** Develop a central kitchen that will provide meals for DOE Schools, first for its Central District, with ability to expand to offer meals to other school districts, and perhaps other state institutions. Develop the foundation of a statewide system of regional kitchens under DOE. This first kitchen is located within the Whitmore Food Hub, and will enjoy proximity to crops, value-added facilities, and supportive workforce training. The program addresses multiple state objectives: Stimulates demand and increases profitability of scaling local agriculture. Reduces dependence on (and cost of) imported food products. Supports healthier, "local" menus. Offers DOE savings through economies of scale. Meet statutory goals on increased local food production and consumption.

- i. Phase I: main kitchen facility of 12,000 square feet
- ii. Phase II: bakery, extended storage, test kitchen, adding 18,000 square feet

**Funding:** None for ADC

**Status:** Need to issue and short term lease or amend the ROE to allow HDOE to construct "and operate" the kitchen. This will allow HDOE to operate the kitchen until the subdivision is completed.

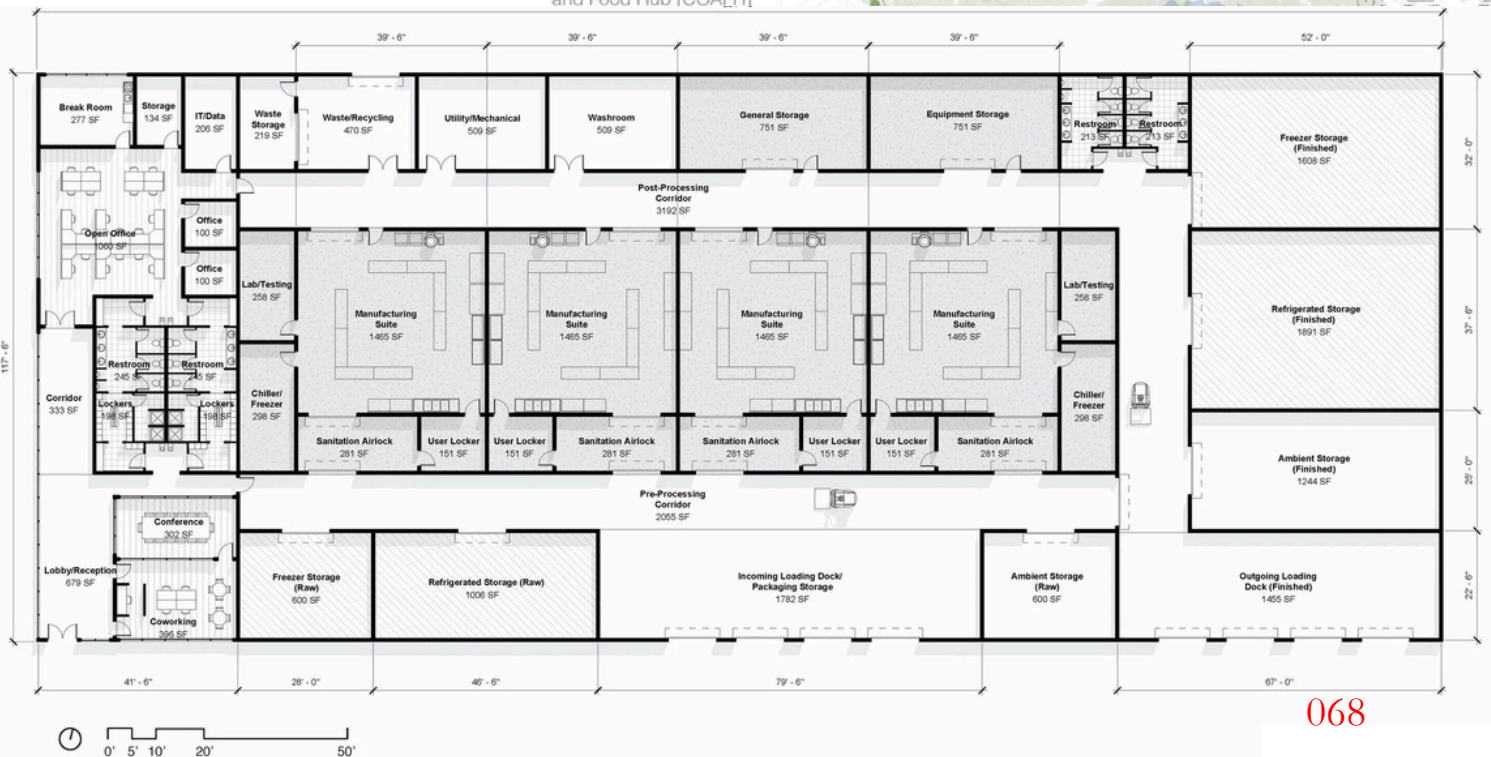


# ENTREPRENEURIAL PRODUCT MANUFACTURING FACILITY - EPMF (FORMERLY FOOD & PRODUCT INNOVATION NETWORK - FPIN)

**Description:** Construct an EPMF at the Central Oahu Ag and Food Hub in Whitmore, Oahu.

**Funding:** none appropriated, early estimates from UH CDC planning \$60MM

**Status:** FY 27 Design Funding FY29 Construction.



# HPP MACHINE (PROCESS OF DESIGN/BID/BUILD/PURCHASE/OPERATE /MAINTAIN)

**Description:**

Construct and operate a State Postharvest Facility that turns farm off grades into safe, value-added products to support small and mid-size farmers by reducing waste, expanding market reach, and enabling compliance with institutional procurement standards. Project is proceeding under 3 contracts: design-build, operate, and hiring a construction manager.

**Funding:**

- i. Act 36 (2024) – \$300,000 and 1.00 position for the Hawaii State Planning Act Phase II Task Force,
- ii. \$5.5M (Act 9 2020 SB126 BED100 #3000-001), MOU between DBEDT and ADC giving funds to ADC, Lapse 06/30/2025
- iii. \$9.014M Appropriated to DAGS (transferred to ADC), Act 230 (2024),
- iv. \$22.076M authorized by Act 250, SLH 2025 for construction and the purchase of HPP machines.
- v. \$6.3M requested by ADC for FY26

**Status:**

Funds have been released and designs currently at 30%. Working with the potential operator on the functionality of the facility.



# STATEWIDE FPIN

**Description:** To develop a Statewide Food and Product Innovation Network (FPIN) facilities that support food and value-added product businesses by providing access to commercial kitchen spaces, equipment and resources for product development and innovation.

**Funding:** \$350K, MOF-C authorized by Act 250, SLH 2025

**Status:** ADC entered into a MOA with UHCDC to complete a proof-of-concept study and bridging documents.



# FARM FIELD DAYS

**Description:** Execute a successful Farm Fair in Whitmore Village to attract additional agriculture-supportive events in the future.

**Funding:** None

**Status:** Site prep to begin early May 2026, meeting with area ranchers and farmers who have volunteered to assist. ADC procuring 200 gallons of diesel for the heavy equipment.



# FOOD PROCESSING PLANT

**Description:** Food processing facility in Wahiawa, Oahu that will include an egg cracking facility.  
(include the problem a project solves, expected benefit)

**Funding:** \$6.275M MOF-C authorized by Act 250, SLH 2025 for land, plans, design, and equipment.

**Status:** ADC conducting due diligence (appraisal and ESA) to facilitate the land acquisition of commercial property on Kilani Ave. in Wahiawa, Oahu. ADC also entered into an MOA with UHCDC to develop a proof-of-concept study for an egg cracking facility.

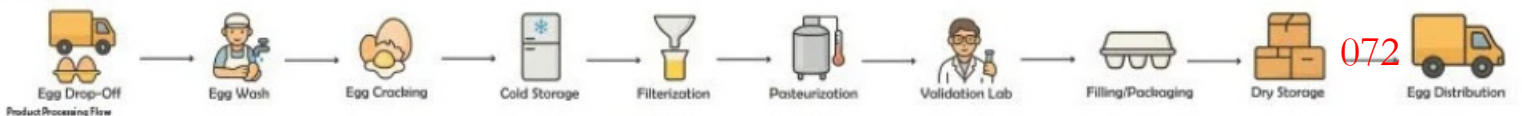


## EGG CRACKING FACILITY



### Egg-Cracking Facility

Allyssa Baldoria & Julianna Coloma  
ARCH 416 FALL 2025



## AQUACULTURE FEED MILL

**Description:** Develop a pilot feed facility in Kalaeloa, Oahu.

**Funding:** \$4M MOF-C authorized by Act 124, SLH 2016 for construction and equipment.

**Status:** ADC contracted Diamond Seafood to develop the pilot facility. Machines have been acquired and installed, and they are currently running test trials on different types of aquaculture feed.



## SMALL ANIMAL SLAUGHTERHOUSE

**Description:** Develop a small animal slaughter to increase the local meat production and grow meat industry in Hawaii to service the regional kitchens.

**Funding:** purchase of land, equipment, plans, designs, and construction.

Parcel #1: Lot F-2 (11.012 acres) - \$1,780,000

Slaughterhouse Facility

Parcel #2: Lot F-3 (9.751 acres) - \$1,600,000

Supporting Warehouses

Processing Facilities

Cold Storage Facilities

Equipment - \$300,000

Cold Storage Refrigeration

Generators

Plan/Design/Construction - \$320,000

Proof-of-Concept w/ UHCDC (\$175,000)

Environmental Impact Statement

Transport modular slaughterhouse to be (\$10,250)

Infrastructure

Total: \$4,000,000 (Modular)



**Status:** ADC conducting due diligence (appraisal and ESA) to facilitate land acquisition from Heritage Farm in Kunia, Oahu.



# WAHIAWA IRRIGATION SYSTEM

**Description:** Plan, acquire land, design and construct improvements to Wahiawa Irrigation System, the Wahiawa Dam, Spillway and Appurtenant Works and the Lake Wilson Reservoir in accordance with Act 218, SLH 2023.

**Funding:** ADC received a portion of funding to complete environmental studies and purchase Sustainable Hawaii parcels of land including the Dam. \$770K environmental, MOF - A, \$5.6MM for land, MOF - A

**Status:** property in escrow, working with DLNR, DAB, Gov Office to close the purchase in March of 2026.



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OAHU

## WAIAHOLE IRRIGATION PROJECT - FEDERAL APPROPRIATIONS FY 2026

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**Description:** Plans, design, and construction for improvements to the Waiahole Ditch Irrigation System.

**Funding:** \$2.5M MOF-C authorized by Act 250, SLH 2025.

**Status:** ADC working on memo to Gov to release funding so that it can start the project.



## MILILANI TECH PARK TRANSFER

**Description:** Transfer of Mililani Tech Park from HTDC to ADC. Upcoming matter for Board discussion.

**Funding:** none at this time

**Status:** N/A



## WAHIAWA RECLAIMED WASTEWATER SYSTEM, R-1 REUSE PROJECT

**Description:** Design and construct a pipe and pumping system to redirect for reuse R-1 treated wastewater for use in certain agricultural fields. Eliminates 90+ years of discharging treated wastewater into Wahiawa reservoir.

**Funding:** \$4MM MOF-C, FY26 to complete plans and designs.

**Status:** Gov released funding. ADC to procure contractor in July 2026.



# DOLE WELLS PROJECT, WATER FOR IMMIGRANT FARMERS INITIATIVE - FEDERAL APPROPRIATIONS FY 2026

**Description:** Purchase and improve deep wells in Wahiawa.

**Funding:** \$4.7M MOF-C authorized by Act 053, SLH 2018 for the acquisition of the deep wells from Dole Food Company. \$4M MOF-C authorized by Act 248, SLH 2022 for the plans, design, and construction for improvements to the deep wells. \$9.2M MOF-C authorized by Act 250, SLH 2025 for plans, design, construction, and equipment for agricultural improvements on Oahu

**Status:** No cost time extension pending executions. ATG negotiating terms and conditions with the design consultant.

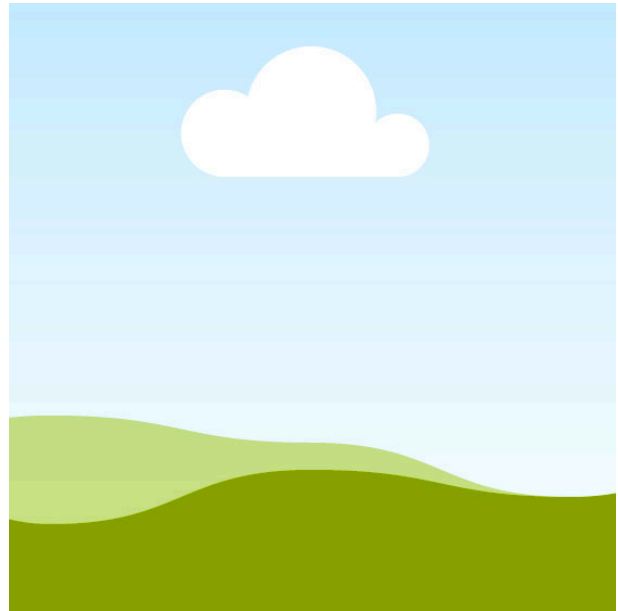


## DOLE PARCEL 27

**Description:** purchase of ~45 acres of land surrounded by state owned property. Purchase approved by the Board 2025.

**Funding:** MOF-C, \$3MM

**Status:** working with landowner Dole on purchase agreements

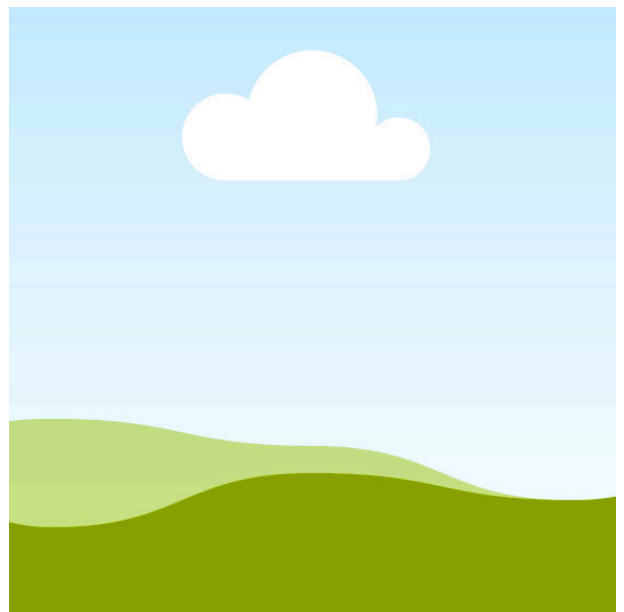


## WHITMORE FOOD MART

**Description;** Due diligence for the acquisition of commercial land in Whitmore, Oahu.

**Funding:** \$500k MOF-C authorized by Act 250, SLH 2025 for land acquisition

**Status:** Funds were released by Gov. ADC to select contractor to conduct due diligence and perform possible clean up and/or remediation to facilitate the acquisitions.



# TANADA RESERVOIR, UPPER HELEMANO RESERVOIR

**Description:** Acquisition of an irrigation system on Oahu.

**Funding:** \$2M MOF-C authorized by Act 250, SLH 2025 for plans, design, and land acquisition.

**Status:** Funding pending DBEDT, BNF, and Gov's approval. ADC to meet with landowner and DBEDT leadership to discuss scope of work.

